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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

KENNETH BRUNO, an individual;

Plaintiffs,

vs.

SEMPRA ENERGY, a California Corporation;
and SOUTHERN CALIFORNIA GAS
COMPANY, a California Corporation; and
DOES 1 through 100, inclusive.

Defendants.

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County of Los Angeles

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Sherri R. Carter, Executive Officer/Clerk of Court
By Isaac Lovg Deputy

CASE NO. 19STCV19104

[TO BE COORDINATED WITH JCCP 4861]

COMPLAINT FOR DAMAGES

JURY TRIAL DEMANDED

06/04/2019

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1 **I. INTRODUCTION**

2 1. Sempra Energy and its Sempra Utility (Southern California Gas) hatched a strategy
3 for avoiding a serious and expensive problem in the fall of 2015. The well casing in gas well SS-
4 25 in the Aliso Canyon Gas Storage Facility ruptured and began to release toxic gas
5 uncontrollably. Lasting for 118 days, the blowout released 220 times more gas, by volume, than
6 oil released in the Deepwater Horizon oil spill.

7 2. Gas escaping from well SS-25 rolled downhill into the homes of people in the north
8 San Fernando Valley – the gas was invisible. But people could smell it. Thousands of people in
9 80% of the households experienced health problems – headaches, bloody noses, dizziness,
10 confusion, and irritation to the eyes and skin. Children could not go to school, and small
11 businesses lost customers.

12 3. Sempra and SoCalGas were part of the “clean natural gas” industry campaign and
13 faced a financial and public relations disaster if people connected the contents of the gas to the
14 health problems.

15 4. Sempra and SoCalGas devised a strategy to deflect inquiry into the actual gas
16 composition and told the public agencies, first responders, and residents that “*natural gas is not*
17 *toxic.*”

18 5. The California Public Utilities Commission (CPUC) sent Mr. Kenneth Bruno to
19 monitor that Sempra properly plugged well SS-25. Mr. Bruno had dealt with the Sempra Utilities
20 for years and referred to the utilities as Sempra. Sempra Energy had the duty to properly finance
21 its utility companies to make sure they could cover all costs for safe and proper operations.

22 6. Mr. Bruno, as the CPUC’s Program Manager overseeing the Gas & Safety
23 Enforcement Division, started inspecting the Aliso Canyon Gas well blowout on November 4,
24 2015.

25 7. Sempra emailed Mr. Bruno on November 3, 2015 and told him to wear
26 “appropriate footwear (boots or leather shoes) and a hard hat.” (See Exhibit A.) A similar email
27 was sent a week later, describing the facility as “a construction site... wear sturdy sole
28 shoes/boots, pants and jacket.” (See Exhibit B.)

1 8. Mr. Bruno trusted the words of Sempra and SoCalGas and believed the gas was
2 safe. One of the reasons Mr. Bruno believed Defendants is because the CPUC prohibits the gas
3 from having any hazardous substances (called Rule 30):

4 “The gas must not contain hazardous substances (including but not limited to
5 toxic and/or carcinogenic substances and/or reproductive toxins) at
6 concentrations which would prevent or restrict the normal marketing of gas, be
7 injurious to pipeline facilities, or which would present a health and/or safety
8 hazard to Utility employees and/or the general public.” (See Exhibit C at Sheet
9 18.)

10 9. Trusting Sempra and SoCalGas that Aliso Canyon was safe, Mr. Bruno was not
11 prepared for the worst case exposure (or an average exposure) to cancer causing chemicals.

12 10. For example, Sempra and SoCalGas knew the benzene levels in gas at Aliso
13 Canyon before the blowout exceeded 447 ppm and conservatively averaged 220 ppm. Federal and
14 state agencies set specific levels at which toxins like benzene require notice or create presumptions
15 of health problems from the toxic exposure. The average levels set by the Occupational Safety
16 and Health Administration to protect workers (like those at the storage facility) from excess
17 benzene are:

18 a. 1 ppm for 8 hours; or

19 b. 5 ppm for 15 minutes. (8 Ca. ADC §5218.)

20 11. Sempra and SoCalGas betrayed Mr. Bruno when they strategically decided not to
21 warn him that the average benzene levels before the blowout were 44 times higher than the 15-
22 minute average (and 220 times higher than the 8-hour average). Sempra and SoCalGas never even
23 calculated how much dissipation happened in the air or what changes in the gas composition
24 happened with exposure to the air or sunlight. Indeed, in the months after the blowout, Sempra
25 and SoCalGas did not take any 15-minute air grabs.

26 12. Sempra and SoCalGas also failed to warn Mr. Bruno of other hazardous substances
27 like toluene, formaldehyde, radon, PCB's, and hydrogen sulfide that were in the escaping gas.
28 The failure to warn goes beyond any of the chemicals identified thus far but also includes other
toxic chemicals in the gas stored in Aliso Canyon.

 13. Sempra and SoCalGas failed to advise Mr. Bruno to wear a respirator and personal

06/04/2019

1 protective clothing and equipment to prevent eye contact and limit skin exposure. Sempra failed
2 to advise Mr. Bruno to remove his clothing before getting in his car to return home, and failed to
3 notify Mr. Bruno to dispose of the contaminated clothing before exposing his wife and children to
4 the toxins that adhered to his clothing.

5 14. With a stew of cancer causing substances contaminating his clothing, Mr. Bruno
6 drove home from Aliso Canyon. Mr. Bruno's clothing unknowingly cross-contaminated his home
7 and car. Mr. Bruno has no way of knowing the extent of the secondary exposure. On information
8 and belief, the secondary exposure to benzene and other toxins resulted in a 24/7 exposure.

9 15. After all of this work to protect the people of California, and having nothing to
10 protect him from the repeated exposures, Mr. Bruno now suffers from a rare blood cancer – he
11 was diagnosed with hairy cell leukemia.

12 16. Sempra and SoCalGas betrayed Mr. Bruno. Sempra and SoCalGas knew that if
13 they gave Mr. Bruno accurate information, he would be required to disclose it to thousands of
14 people in the north San Fernando Valley. Sempra and SoCalGas chose to engage in a massive
15 campaign to block disclosure of the toxic chemicals and true health risks to the people living in
16 this area. Any disclosure would result in massive liability for health problems of the residents, a
17 cost that Sempra itself would have to cover if its utility could not pay the damages.

18 17. This lawsuit is brought to protect and compensate Mr. Bruno and his family from
19 the Sempra Defendants and DOES 1 through 100.

20 **II. JURISDICTION AND VENUE**

21 18. This Court has jurisdiction pursuant to California Code of Civil Procedure §§ 395
22 and 395.5 because Defendants are headquartered in California and do business in the County of
23 Los Angeles, California. Additionally, Plaintiff's damages exceed the jurisdictional minimum for
24 this Court.

25 19. Venue is proper in the County of Los Angeles because Defendants are located
26 and/or perform business in this County, and a substantial part of the events, acts, omissions, and
27 transactions complained of herein occurred in and/or originated within Los Angeles County.

28 20. Further, venue and jurisdiction is proper in this Court pursuant to Code of Civil

1 Procedure § 404.3 and California Rules of Court 3.540, whereby the Honorable Carolyn B. Kuhl,
2 of the Superior Court of California, County of Los Angeles was assigned to sit as coordination
3 trial judge by the Judicial Council of California. Accordingly, this Court has jurisdiction of this
4 action pursuant to California Code of Civil Procedure § 410.10.

5 **III. FACTUAL BASIS FOR THE CLAIMS ASSERTED**

6 **A. California Public Utilities Commission (CPUC) – “No Loss of Life”**

7 21. In furtherance of this mission and its longstanding obligations, the CPUC imposes
8 requirements on Sempra and SoCalGas concerning its operations including the transportation and
9 composition of natural gas. One of the duties, (called Rule 30) prohibits them from utilizing gas
10 with any hazardous substances:

11 “The gas must not contain hazardous substances (including but not limited to
12 toxic and/or carcinogenic substances and/or reproductive toxins) at
13 concentrations which would prevent or restrict the normal marketing of gas, be
injurious to pipeline facilities, or which would present a health and/or safety
hazard to Utility employees and/or the general public.”

14 22. Mr. Bruno implemented these rules and goals at the CPUC by working as the
15 Program Manager in the Gas & Safety Enforcement Division. He dedicated his life to protecting
16 the people of California from unsafe operations by utility companies.

17 **B. Aliso Canyon Gas Storage Facility**

18 23. Sempra Utility SoCalGas is the nation’s largest natural gas distribution utility. In
19 1971, SoCalGas bought an old dilapidated oil field (the Aliso Canyon Oilfield) located in the
20 northern San Fernando Valley in the Santa Susana Mountains. SoCalGas knew the oilfield was
21 strewn with many abandoned, unplugged wells.

22 24. Sempra also operates some of the wells as producing oil wells.

23 25. Sempra and SoCalGas use the oilfield to store gas for distribution primarily during
24 the winter. The Facility is the largest of the four gas storage fields owned and operated by Sempra
25 in Southern California.

26 26. Sempra and SoCalGas transport gas via underground pipelines to California and
27 then uses high pressure compressors to force the gas underground at Aliso Canyon. The
28 underground reservoir (called the Sesnon-Frew) is one of the underground layers which acts like a

1 sponge – Sempra and SoCalGas inject the gas into those small holes.

2 27. Gas injections usually start in April and continue through October. By November,
3 the facility is generally at its peak capacity just before the winter heating requirements.

4 28. Mr. Bruno visited the Aliso Canyon gas storage facility on dozens of days and
5 confirmed Sempra's activities are hidden in the mountains and invisible to the people living,
6 working and going to school in the northern San Fernando Valley.

7 **1. Blowout at Gas Storage Well SS-25**

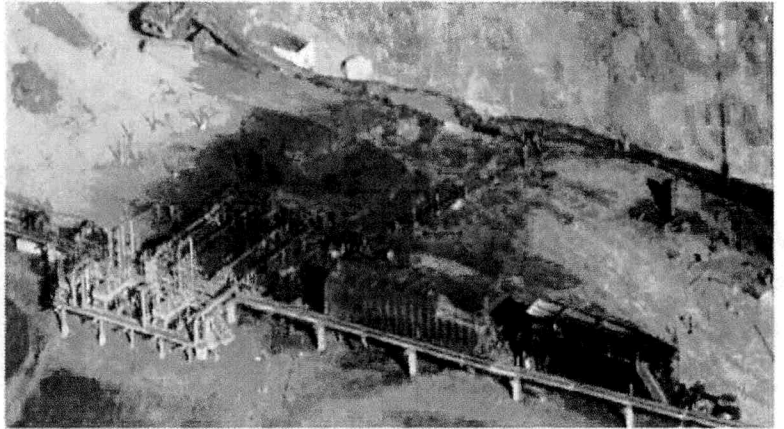
8 29. On October 23, 2015, Sempra and SoCalGas detected an uncontrolled flow of
9 fluids and gas from gas injection well "Standard Sesnon 25" (API no. 03700776 known as SS-25).
10 In the month before this blowout, Sempra injected over 5.7 billion cubic feet of gas into a
11 geological zone (called the Sesnon-Frew) that acts like a sponge. This map shows the location of
12 SS-25 from the California Division of Oil, Gas & Geothermal Resources ("DOGGR"). The
13 DOGGR map also shows all the wells – both at the facility and buried under homes.



26 30. Sempra and SoCalGas told Local, State, and Federal agencies along with the public
27 there were no public health concerns from the gas leak: "the [gas leak] does not pose an imminent
28 threat to public safety. The well is located in an isolated, mountain area more than a mile away from

1 and more than 1,200 feet higher than the closest home or public area. . . . In outdoor locations such
2 as this, natural gas quickly dissipates into the air....”

3 31. Sempra and SoCalGas made numerous attempts to stop the gas leak for several
4 months, but its initial attempts all failed. Sempra first filled the wellbore with heavy brine and
5 barite solutions; doing this created
6 more damage as the additional
7 solutions exploded upwards into the
8 air. Indeed, each attempt to kill the
9 well opened additional pathways and
10 created worse conditions at the
11 surface.



12 32. Given the problems in stopping the blowout, the Division of Oil Gas and
13 Geothermal Resources (DOGGR) ordered Sempra to cease any further attempts to kill the well at
14 the wellhead because of damage being seen at the surface.

15 33. On November 13, 2015, DOGGR concluded well SS-25 blew out in the
16 conventional sense. Within one week, DOGGR State Oil and Gas Supervisor Steve Bohlen issued
17 an emergency order demanding that SoCalGas provide continuous access to real time electronic
18 monitoring of wellhead pressures, diagnostic tests, down hole videos and well logs, pressure
19 surveys, and other surveys.

20 34. Sempra and SoCalGas thereafter began to drill an offset “intercept” well to stop the
21 gas leak thousands of feet below the surface. Sempra had previously failed to survey well SS-25,
22 and so it took over two months for the intercept to reach well SS-25. On February 18, 2016,
23 DOGGR certified the alleged plugging of well SS-25.

24 35. The failure of Sempra and SoCalGas to adequately survey the well and plan for a
25 catastrophic well failure caused hazardous toxic gases, chemicals, pollutants, and contaminants to
26 be released. Sempra and SoCalGas face numerous citations, stop orders, and criminal charges for
27 this massive blowout from agencies like DOGGR and CalOSHA to the Los Angeles County
28 District Attorney.

1 **C. Mr. Bruno Went to Aliso Canyon to Protect the People in this Area**

2 36. Mr. Bruno, as the Program Manager for Gas Safety and Reliability Branch in the
3 Safety and Enforcement Division of the California Public Utilities Commission (CPUC)
4 monitored the plugging of well SS-25. In the days and months when the Department of Public
5 Health ordered SoCalGas and Sempra to pay for the relocation of thousands of the residents, Mr.
6 Bruno went onsite to protect the residents and employees.

7 37. From his first visit to his last, Sempra and SoCalGas always reassured Mr. Bruno
8 of the safety of going onsite and also wrote in emails Mr. Bruno only needed a hard hat and boots
9 or leather shoes to visit. (See Exhibits B & C.) Mr. Bruno went to Aliso Canyon dozens of times
10 during the peak blowout period, as well as dozens of times after the sealing of SS-25.

11 38. Among other projects, Mr. Bruno oversaw the hiring of Blade Energy Partners
12 ("Blade"), the contractor that investigated the cause of the blowout. Blade needed the actual
13 casing and tubing from SS-25 to conduct a proper root cause analysis.

14 39. Sempra and SoCalGas sought to block Blade from obtaining any of this evidence.
15 Indeed, after the blowout stopped, Sempra and SoCalGas attempted to pour cement into the piping
16 and tubing underground. This would have destroyed vital evidence, and Mr. Bruno blocked
17 Sempra and SoCalGas from destroying this evidence.

18 **1. Blade Report to CPUC on Root Cause of SS-25 Blowout**

19 40. The SS-25 blowout attracted significant media attention and was correctly viewed
20 as a dramatic and unprecedented environmental disaster. Blade confirmed the casing failure in
21 SS-25 originated from an 85% wall loss area due to corrosion. The corrosion was caused by
22 underground water.

23 41. Blade also looked at the history of the facility, focusing primarily on activities from
24 1977 to the present. From the time of the injections to the present, Blade noted that gas is mostly
25 injected in East and Central portions of the facility. Gas then migrates underground from east to
26 west. The oil to gas ratio likewise increases from east to west as the gas pushes the oil through the
27 formation.

28 42. Blade also concluded that from 1995 to 2010, there was a steady trend in the

1 increasing inventory of gas at the facility that peaked and remained steady from 2010 to 2015.

2 43. Sempra and SoCalGas began to identify widespread issues with well integrity and
3 the need for actual investigations of leaking wells during normal operations as the volume of gas
4 increased. Blade described the 2014 testimony from Sempra and SoCalGas submitted to support
5 increase in rates to fund a new Storage Integrity Management Program:

6 “SoCalGas had noted an increasing trend in well integrity repairs, and without
7 the SIMP, operation would have continued in a reactive mode, addressing
8 mainly sudden and major failures and service interruptions. . . . Also, the
9 external corrosion had been observed at relatively shallow depths in the
production casing. SoCalGas cited P-50A, where 400 psi was observed in the
casing annulus during routine weekly pressure surveillance in 2008...”

10 “SoCalGas recognized that production casing leaks related to corrosion could
11 lead to high pressure gas that could migrate to the surface in a matter of hours.
12 Blade’s interpretation is that SoCalGas’s concern materialized in SS-25 on
October 23, 2015. Due to severe external corrosion, the 7 in. production casing
ruptured suddenly during gas injection operations; high pressure gas entered the
surface casing and was subsequently released to the surface.”

13 44. Blade identified more than 60 casing leaks at Aliso Canyon going back to the
14 1970s, including at least 27 wells with evidence of shallow casing leaks. Thus, the problems with
15 SS-25 were not isolated to one well – this was a multiple well problem at the Aliso Canyon Gas
16 Storage Facility.

17 45. Blade highlighted one of the wells with long-standing leaks: Well P-50A. Sempra
18 had used the alleged repairs on this well in support of the 2014 rate case, but this well could never
19 be properly repaired and is now on “idle” status. Sempra and SoCalGas documents showed that
20 P-50A leaked gas native to the Aliso Canyon. This type of gas presents greater risk to people
21 because there are generally higher levels of benzene – it appears that Sempra never warned Blade
22 or Mr. Bruno that this well was leaking known carcinogens.

23 46. In sum, the Blade report about the root cause of this blowout suggests SS-25 was
24 the tip of the iceberg of undisclosed, ongoing leaks at the Aliso Canyon Facility.

25 47. At the time the Blade report was finalized, Mr. Bruno was out on disability after
26 being diagnosed with hairy cell leukemia which is a known risk of benzene exposure.

27 **D. Sempra and SoCalGas Failed to Quantify Surface Leakage at Aliso Canyon**

28 48. Knowing of the widespread issues, and potential liability to employees and

1 residents, Sempra and SoCalGas never calculated the amount of gas leaking from each of the wells
2 at the Aliso Canyon Gas Storage Facility.

3 49. Sempra and SoCalGas did, however, report massive gas losses to one federal
4 agency. The U.S. Energy Information Administration ("EIA") "collects, analyzes, and
5 disseminates independent and impartial energy information to promote sound policymaking,
6 efficient markets, and public understanding of energy and its interaction with the economy and the
7 environment." (See, <https://www.eia.gov/about/>.)

8 50. As shown in this table, Defendants' report
9 to the EIA showed it lost far more gas in years before the
10 blowout in 2015 and 2016.

11 51. From February 18, 2016 to the present, gas
12 continues to leak from Aliso Canyon as part of off-gassing
13 from the SS-25 well or from other wells, indicating defects
14 and deficiencies that provided further notice to officers,
15 directors and managing agents of Sempra and SoCalGas of
16 the dangerous consequences and lack of integrity of this
17 storage facility. In addition, Defendants knew prior leaks
18 at other Sempra gas storage facilities due to maintenance
19 problems. In some cases, Defendants paid damages to

Year	Ranked by Amount of Leaks & Unaccounted (combined losses in mcf)
1997	24,353,617
2009	19,586,629
2002	17,501,198
1998	14,416,882
2006	12,764,871
2016	10,024,178
2003	7,878,445
2014	7,421,750
2011	6,221,131
2013	5,957,286
2015	5,955,519
2012	3,565,048
2004	3,320,169
2007	2,425,953
2008	2,367,972
2010	545,160

20 neighbors and fines to regulatory bodies. Defendants have a longstanding history and practice of
21 failing to maintain their gas storage facilities, putting neighboring communities and employees at
22 risk of exposure to toxic gas and chemicals.

23 52. Despite the knowledge of Sempra and SoCalGas's officers, directors or managing
24 agents of the dangers from gas storage leaks, Defendants deliberately chose to delay assessments,
25 maintenance and repairs for the sole purpose of improving the company's financial performance.

26 53. Further, at all times prior to the leak, Sempra and SoCalGas, by their officers,
27 directors or managing agents, knew that the gas storage operations were not being operated, and/or
28 maintained, in accordance with industry safety standards. The standards violated by Sempra and

SoCalGas include but are not limited to the following:

- a. Sempra and SoCalGas removed or never installed functioning valves at the base of most gas injection wells. A subsurface safety valve would have blocked migration of the gas from the reservoir during a gas leak. Indeed, with respect to well SS-25, Sempra told DOGGR in 1979 that it “replaced” the subsurface safety valve and continued to report the presence of the subsurface safety valve through 2014. After the gas leak, Sempra said it “removed” the subsurface safety valve in 1979. As a result, there was no early warning detection system in place to stop a gas leak once it began.
- b. Sempra and SoCalGas utilized both the tubing and casing for gas production through well SS-25, leaving no safety barrier. As a result, in the event of a leak or blowout, gas could escape through both the tube and between the tube and the casing.
- c. Well SS-25, like many other injection wells operated by Sempra and SoCalGas, did not have cement casing all the way to the surface. As a result, in the event of a leak or blowout, gas could escape due to the absence of a well casing.

54. These deficiencies in design, construction, operation and maintenance were well known to Defendants and compounded the difficulties in plugging the gas leak.

55. The significance of these problems cannot be understated. In the wake of the massive problems with leaking wells, in March 2016, DOGGR initiated a Comprehensive Safety Review of Aliso Canyon, requiring each well to undergo a battery of mechanical integrity and safety tests.¹

56. Sempra and SoCalGas ultimately had to stop using at least 47 of the 115 wells considered active at the time of the blowout. 41% of the wells were in such bad condition, they

¹ The State of California, Division of Oil, Gas, and Geothermal Resources (“DOGGR”) is responsible for enforcement of regulations of all underground injection wells. This is part of the underground injection control (“UIC”) program. Well SS-25 is subject to the underground injection control regulations, and if SoCalGas injected anything other than natural gas into this well (e.g., mercaptans), SS-25 may also be subject to regulations as a Class II underground injection well.

1 had to be shut-in.

2 57. Finally, the gas storage facility is bounded by the water aquifer on one side, which
3 is no protection at all. The presence of water as a boundary to the gas storage facility, especially
4 in light of the Blade report, shows there are potential risks to the entire community if gas was
5 migrating through the underground water.



21 **E. Other Violations by Sempra and SoCalGas of California Code of Regulations**

22 58. Sempra and SoCalGas are required to obtain a permit from DOGGR before
23 injecting gas and fluids underground in Aliso Canyon.

24 59. Sempra and SoCalGas, however, consciously chose not to file with DOGGR all of
25 the data required to obtain a permit for this injection well project. The missing or incomplete data
26 includes:

- 27 a. Casing diagrams of all idle, plugged and abandoned, or deeper-zone
28 producing wells within the area affected by the project.

- 1 b. Evidence that plugged and abandoned wells in the area will not have an
2 adverse effect on the project or cause damage to life, health, property, or
3 natural resources.
- 4 c. Map showing injection facilities.
- 5 d. Maximum anticipated surface injection pressure (pump pressure) and daily
6 rate of injection, by well.
- 7 e. Method of injection.
- 8 f. Monitoring system or method to be utilized to ensure that no damage is
9 occurring and that the injection fluid is confined to the intended zone or
10 zones of injection. 14 C.C.R. 1724.7(a)(4), (a)(5), (c)(1), (c)(2), (c)(3),
11 (c)(4).

12 **F. Chemicals in the Leaking Gas from Aliso Canyon**

13 60. Sempra and SoCalGas engaged in a massive media campaign to understate the
14 health risks by telling residents and public agencies: "*Scientists agree natural gas is not toxic.*"

15 61. Mr. Bruno was the project manager for the CPUC requesting data and evidence
16 during and after the blowout.

17 62. It is unlawful for SoCalGas and Sempra to obstruct Mr. Bruno in the discharge of
18 his duties. It was, thus, imperative that SoCalGas and Sempra truthfully disclose all of the
19 information needed about its operations including composition of the gas stored at the Facility.

20 63. Mr. Bruno trusted and relied on the representations of Sempra and SoCalGas and
21 believed the gas was safe.

22 64. Sempra and SoCalGas's assurances were knowingly false or made with a reckless
23 disregard for the truth. Gas distributed by Sempra includes methane and toxic chemicals such as
24 PCB's, radon, hydrogen sulfide, naphthalene, formaldehyde and BTEX chemicals (benzene,
25 toluene, ethyl benzene and xylene).² Sempra and SoCalGas failed to warn Mr. Bruno of high
26

27 ² Benzene, toluene, and hydrogen sulfide are also designated as hazardous wastes under the Federal
28 Resource Conservation and Recovery Act ("RCRA"); and hydrogen sulfide and sulfur dioxide are
designated by the federal Occupational Safety and Health Administration ("OSHA") as toxic and reactive
hazardous chemicals.

1 levels of toxic metals like barium, manganese, vanadium, nickel and strontium, the latter of which
2 showed up in the Blade report test of the water near SS25. Sempra and SoCalGas also knew the
3 ultrafine particle concentration levels were much higher than background levels. Sempra and
4 SoCalGas knows exposures to these chemicals requires proper equipment and handling.

5 65. For example, Sempra and SoCalGas knew the benzene levels in gas at Aliso
6 Canyon before the blowout exceeded 447 ppm and conservatively averaged 220 ppm. Federal and
7 state agencies set specific levels at which toxins like benzene require notice or create presumptions
8 of health problems from the toxic exposure. The average levels set by the Occupational Safety
9 and Health Administration to protect workers (like those at the storage facility) from excess
10 benzene are:

- 11 a. 1 ppm for 8 hours; or
- 12 b. 5 ppm for 15 minutes. (8 Ca. ADC §5218.)

13 66. Sempra and SoCalGas betrayed Mr. Bruno when it strategically decided not to
14 warn him that the average benzene levels before the blowout were 44 times higher than the 15-
15 minute average (and 220 times higher than the 8-hour average).

16 67. Sempra and SoCalGas never told Mr. Bruno that a 15-minute visit could be
17 hazardous because of the extremely high benzene levels. Instead, when Mr. Bruno went to Aliso
18 Canyon, Sempra wrote in emails Mr. Bruno only needed a hard hat and boots or leather shoes.

19 68. Indeed, the World Health Organization has stated that there is no safe benzene
20 level.³ The statements by the World Health Organization are consistent with the statements from
21 1948 when the American Petroleum Institute published the guideline that the only absolutely safe
22 level of exposure to benzene was 0%.

23 69. Sempra and SoCalGas failed to advise Mr. Bruno to wear a respirator and personal
24 protective clothing and equipment to prevent eye contact and limit dermal exposure. Sempra and
25 SoCalGas also should have recommended Mr. Bruno wear a hydrogen sulfide monitor and
26 detector tubes – a precise, quick and economical way to determine benzene levels (or levels of
27 other known carcinogens).

28 ³ (See, <http://www.who.int/ipcs/features/benzene.pdf>.)

70. Sempra and SoCalGas failed to advise Mr. Bruno to remove his clothing before getting in his car to return home and failed to notify Mr. Bruno to dispose of that clothing.

71. With a stew of cancer causing substances contaminating his clothing, Mr. Bruno drove home from Aliso Canyon and cross-contaminated his home and his car. Mr. Bruno has no way of knowing the extent of the secondary exposure. On information and belief, the secondary exposure to benzene and other toxins resulted in a 24/7 exposure.

72. Sempra and SoCal Gas also had a statutory obligation under Proposition 65 to warn Mr. Bruno and people working near its facilities that he was being exposed to significant levels of chemicals known to cause cancer. SoCalGas violated Proposition 65, Health & Safety Code § 25249.5, *et seq.*, by knowingly and intentionally exposing him to chemicals known to the State to cause cancer without providing *clear and reasonable warnings* to individuals prior to their exposure.

73. Sempra and SoCal Gas admitted on August 1, 2018, that people working or living near its gas storage facilities would be exposed to Proposition 65 chemicals like formaldehyde.⁴

SAFETY SERIES

Proposition 65 Warning

Pursuant to Proposition 65, the State of California lists substances known to cause cancer or reproductive harm. SoCalGas® strives to provide safe and reliable service to all of our customers. We want you to be aware of these substances as they relate to natural gas service so that you can reduce possible exposure. Our service territory encompasses approximately 20,000 square miles across Central and Southern California. We have numerous facilities and worksites within the service territory and natural gas is used throughout this area (see attached map). Please be advised of the following Proposition 65 Warning:

WARNING: Being at or near our facilities and work sites, as well as using natural gas, can expose you to chemicals known to the State of California to cause cancer and birth defects or other reproductive harm, including formaldehyde and carbon monoxide, from the inhalation of or contact with natural gas or its combustion products. For more information go to www.P65Warnings.ca.gov.

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P65Warnings.ca.gov

The counties identified above have SoCalGas worksites and facilities that are subject to this Proposition 65 Warning.

⁴ “This list currently includes more than 850 chemicals. Proposition 65 does not ban or restrict the sale of chemicals on the list. *The warnings are intended to help Californians make informed decisions about their exposures to these chemicals from the products they use and the places they go.*” (See, e.g., <https://www.p65warnings.ca.gov/new-proposition-65-warnings> (emphasis added).)

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1. Chemical Changes during Storage of Gas

74. After natural gas is injected at Aliso Canyon, the composition will change based upon geological, environmental, and man-made factors.

75. The underground geology will vary depending on the composition of the layers and oil below. For example, Blade concluded strontium showed up in the water that caused the corrosion to well SS-25. Strontium also showed up in bio-monitoring of residents.

76. Sempra and SoCal Gas also knew the leaking gas is transformed by atmospheric conditions. Methane can transform into formaldehyde, and other changes may occur upon exposure to both oxygen and sunlight. Sempra and SoCal Gas did not consider or warn Mr. Bruno of this risk.

77. Sempra and SoCal Gas further increased the toxic nature of the gas at Aliso Canyon by injecting other chemicals underground, none of which were considered when telling Mr. Bruno to simply wear boots and a hard-hat.

78. Chemicals added to the gas happen long before the gas arrives for injection. Chemical odorants are added to gas before it's transported via pipelines. Chemical odorants have a pungent odor, sometimes compared to skunk-like smell to make people ill and more likely to notice a gas leak. Chemical odorants cause short-term neurological, gastrointestinal, and respiratory system distress. Even at low levels of exposure, the chemicals can cause eye, nose and throat irritation, coughing and nasal congestion, shortness of breath, nausea, stomach discomfort, vomiting, dizziness, and headaches. Long-term effects of exposure are unknown.⁵ During the blowout, Sempra and SoCalGas attributed some but not all of health symptoms as arising from the odorants.

G. False Safety Assurances by SoCalGas regarding Aliso Canyon

79. After the blowout, Sempra and SoCalGas continued to claim it was safe: "I want to stress, Aliso Canyon is safe," wrote Lisa Alexander, SoCalGas Vice President for Customer Solutions and Communications. (See, <http://www.latimes.com/local/lanow/la-me-ln-aliso-canyon-wells-pressure-20170911-story.html#> (last accessed on July 31, 2018).) Ms. Alexander

⁵ These adverse health effects will continue so long as persons are exposed to the mercaptans, and sometimes persist after the mercaptans are gone.

1 now directly works for the parent company, Sempra.

2 80. Ms. Alexander's public statements conflict with her sworn testimony. When asked:
3 "Is it safe for people to live in Porter Ranch?" Alexander testified: "I am – I can't – I'm not
4 qualified to make a determination as to the safety there..." Sempra would not allow its employee,
5 Ms. Alexander, to testify even on basic statements previously made by her as an employee of
6 SoCalGas about the safety.

7 81. Sempra and SoCalGas left Mr. Bruno and all residents near Aliso Canyon
8 personally vulnerable to short term acute health symptoms, longer term health risks, and
9 potentially hazardous chemical reactions.

10 **IV. THE PARTIES**

11 **A. Plaintiff**

12 82. Plaintiff Kenneth Bruno worked for the CPUC overseeing the handling of the
13 blowout of SS25. Prior to taking this position, he passed all necessary requirements to prove that
14 he perform full duties for the CPUC. He suffered damage, loss and/or harm as a result of the
15 uncontrolled gas leak from the Aliso Canyon Gas Storage Facility ("Facility"), including, but not
16 limited to, personal injury, emotional distress, harm to personal property, and other economic
17 losses.

18 **B. Defendants**

19 83. Defendant Sempra Utility known as Southern California Gas Company
20 ("SoCalGas") is a California corporation with its principal place of business in Los Angeles,
21 California. SoCalGas is the nation's largest gas utility provider, servicing more than 20 million
22 natural gas consumers throughout Southern and Central California.

23 84. Defendant Sempra Energy ("Sempra") is a California corporation with its principal
24 place of business in San Diego, California. Sempra is the parent company of Defendant Sempra
25 Utility known as Southern California Gas.

- 26 • Sempra Utility SoCalGas is both a "Gas Corporation" and a "Public Utility"
27 pursuant to, respectively, Sections 222 and 216(a) of the California Public Utilities
28 Code. Sempra Utility SoCalGas in the business of providing gas to more than 20

1 million consumers in Central and Southern California, including, the San Fernando
2 Valley and, more particularly, to residences and/or properties and/or businesses,
3 through a network of natural gas storage, transmission and distribution lines.

- 4 • Sempra is a publicly traded company that owns and/or manages a “Gas Plant” as
5 defined in Section 221 of the Public Utilities Code, and, like its subsidiary, Sempra
6 is both a “Gas Corporation” and a “Public Utility” pursuant to, respectively,
7 Sections 222 and 216(a) of the Public Utilities Code. Sempra develops and
8 operates energy infrastructure assets related to the production and distribution of
9 energy such as power plants, electric lines, natural gas pipelines and liquefied
10 natural gas receipt terminals.

11 85. Plaintiff alleges on information and belief that Sempra and Sempra Utility known
12 as SoCalGas are jointly and severally liable for each other’s negligence, conduct and wrongdoing
13 as alleged herein, in that:

- 14 a. Sempra and SoCalGas operate as a single business enterprise operating out of
15 the same building located at 488 8th Ave., San Diego, California for the
16 purpose of effectuating and carrying out Sempra’s business and operations
17 and/or for the benefit of Sempra;
- 18 b. Defendants do not operate as completely separate entities, but rather, integrate
19 their resources to achieve a common business purpose;
- 20 c. Sempra Utility SoCalGas is organized and controlled, and its decisions,
21 affairs and business so conducted as to make it a mere instrumentality, agent,
22 conduit or adjunct of Sempra;
- 23 d. Sempra Utility SoCalGas’s income contribution results from function
24 integration, centralization of management and economies of scale with
25 Sempra;
- 26 e. Defendants’ officers and management are intertwined and do not act
27 completely independent of one another;
- 28 f. Defendants’ officers and managers act in the interest of Sempra as a single

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enterprise;

- g. Sempra has control and authority to choose and appoint SoCalGas's board members as well as its other top officers and managers;

86. Despite both being Gas Companies and Public Utilities, Defendants do not compete with one another, but have been structured and organized so as to create a synergistic, integrated single enterprise where various components operate in concert one with another;

- a. Sempra maintains unified administrative control over SoCalGas;
- b. Defendants are insured by the same carriers and provide uniform or similar pension, health, life and disability insurance plans for employees;
- c. Defendants have unified 401(k) Plans, pensions and investment plans, bonus programs, vacation policies and paid time off from work schedules and policies;
- d. Defendants invest these funds from their programs and plans by a consolidated and/or coordinated Benefits Committee controlled by Sempra and administered by common trustees and administrators;
- e. Defendants have unified personnel policies and practices and/or a consolidated personnel organization or structure;
- f. Defendants have unified accounting policies and practices dictated by Sempra and/or common or integrated accounting organizations or personnel;
- g. Defendants are represented by common legal counsel;
- h. Sempra's officers, directors and other management make policies and decisions to be effectuated by SoCalGas and/or otherwise play roles in providing direction and making decisions for SoCalGas;
- i. Sempra's officers, directors and other management direct certain financial decisions for SoCalGas including the amount and nature of capital outlays;
- j. Sempra's written guidelines, policies and procedures control SoCalGas, its employees, policies and practices;

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1 k. Sempra files consolidated earnings statements factoring all revenue and
2 losses from SoCalGas as well as consolidated tax returns, including those
3 seeking tax relief; and/or, without limitation; and

4 l. Sempra *generally* directs and controls SoCalGas's relationship with,
5 requests to, and responses to inquiries from the California Public Utilities
6 Commission and uses such direction and control for the benefit of
7 Defendant Sempra.

8 87. As a consequence of the foregoing, adherence to the fiction of the separate
9 existence of Sempra Utility SoCalGas as a distinct entity from Sempra would permit an abuse of
10 the corporate privilege and would sanction fraud and promote injustice. If Sempra is not treated as
11 the alter ego of SoCalGas, the result will be inequitable and cause Plaintiff to suffer an injustice
12 because SoCalGas may not have sufficient assets to compensate for the harm caused by
13 defendants, as a direct result of the decisions made by Sempra.

14 88. DOES 1 through 100 are individuals and/or entities whose true names and
15 capacities are currently not known to Plaintiff. DOES 1 through 100 are legally responsible and
16 liable to Plaintiff to the extent of the liability of the named Defendants. Plaintiff will seek leave of
17 the Court to amend this Complaint to reflect the true names and capacities of the Defendants
18 designated herein as DOES when such identities and capacities become known.

19 89. At all times herein mentioned, Defendants Sempra, SoCalGas and DOES 1 through
20 100 (collectively "Defendants") were the agents, servants, employees, joint venturers, partners
21 and/or alter egos of each of the remaining Defendants named herein and were at all times
22 operating and acting within the purpose and scope of said agency, service, employment, joint
23 venture, partnership and/or alter ego. Each Defendant has rendered substantial assistance and
24 encouragement to the other Defendants, acting in concert knowing that its conduct was wrongful
25 and/or unlawful, and each Defendants has ratified and approved the acts of each of the remaining
26 Defendants.

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1 **V. CAUSES OF ACTION**

2 **FIRST CAUSE OF ACTION**

3 **NEGLIGENCE**

4 90. Plaintiff incorporates by reference all allegations of the preceding paragraphs as
5 though fully set forth herein.

6 91. At all relevant times, Defendants, and each of them, owned, operated, inspected,
7 controlled, managed, and/or maintained the Facility.

8 92. At all relevant times prior to this incident, Defendants, and each of them, had the
9 duty to exercise the utmost care and diligence in the ownership, design, operation, management,
10 supervision, inspection, maintenance, repair, and/or control of the Facility in compliance with
11 relevant regulations and industry standards, so as not to cause harm to individual persons, private
12 and public property, the environment, public resources, public health, and/or the comfortable use
13 and enjoyment of property and life by the public.

14 93. At all relevant times, Defendants, and each of them, negligently, carelessly,
15 recklessly, and/or unlawfully used, owned, operated, managed, supervised, maintained, repaired,
16 and/or controlled the Facility, including but not limited to (a) failing to implement reasonable
17 safety and leak prevention practices; (b) failing to properly inspect, assess, and/or evaluate the
18 integrity of well SS-25 in compliance with applicable safety standards and regulations; and/or (c)
19 failing to have an adequate and appropriate response plan to timely, adequately, promptly and
20 properly respond to and contain the leak.

21 94. As a direct and legal result of the wrongful acts and/or omissions of Defendants,
22 and each of them, Plaintiff suffered damages, including but not limited to inhalation of noxious
23 and toxic gases, chemicals, and/or fumes resulting in personal injuries including, but not limited
24 to, severe headaches, nosebleeds, skin rashes, dizziness, difficulty breathing, and other harms
25 known and as yet unknown. Upon information and belief, some or all the health effects may result
26 in permanent impairments and/or disabilities, all to their general damage in a sum according to
27 proof.

1 95. As a direct and legal result of the wrongful acts and/or omissions of Sempra and
2 Sempra Utility SoCalGas, and each of them, Plaintiff is required to, and continue to, employ
3 physicians and/or other health care providers to examine, treat, and care for his injuries. Plaintiff
4 has incurred, and will continue to incur, medical and incidental expenses for such examination,
5 treatment, rehabilitation, and care, all in an amount according to proof.

6 96. As a direct and legal result of the wrongful acts and/or omissions of Defendants,
7 and each of them, Plaintiff has been put at risk for the development of latent health problems, such
8 that he now requires medical monitoring for such problems in the future.

9 97. As a direct and legal result of the wrongful acts and/or omissions of Defendants,
10 and each of them, Plaintiff has incurred, and will continue to incur, a loss of income and/or a loss
11 of earning capacity, all in an amount according to proof.

12 98. The wrongful acts, representations and/or omissions of Defendants, hereinabove set
13 forth, were made, adopted, approved, authorized, endorsed and/or ratified by their officers,
14 directors or managing agents, and were done maliciously, oppressively, fraudulently and/or with a
15 willful and knowing disregard of the probable dangerous consequences for the health and safety of
16 Plaintiff. The officers, directors and/or managing agents of Defendants had advanced knowledge
17 of aging infrastructure, including but not limited to aging wells, pipelines, and/or safety systems;
18 and/or the lack of an effective integrity management program to ensure the safety of the operation
19 of their well facility. The officers, directors and/or managing agents of Defendants also had
20 advanced knowledge that a failure to maintain, inspect, assess, replace, and/or repair infrastructure
21 would result in the probability of a catastrophic event, which foreseeably would lead to harm
22 and/or injuries to the health and safety of Plaintiff. Defendants intentionally chose not to spend
23 necessary funds for testing, assessments, maintenance, and evaluations that were earmarked from
24 rate increases, and instead reallocated funds in a manner designed to improve the company's
25 financial performance, and/or to increase executive bonuses. Defendants, by their officers,
26 directors and/or managing agents, ratified the wrongful acts and/or omissions by failing to
27 discipline any of their employees or take actions to ensure that the same conduct would not occur
28 again. Further, officers, directors and/or managing agents of Defendants were aware that their

1 failure and/or disregard for having established plans, processes, and/or protocols to address
2 infrastructure failures would lead to the probable dangerous consequence of a sustained
3 catastrophic event, which would result in harm or injury to the health and safety of Plaintiff. In
4 failing to take protective measures to safeguard against the danger, the officers, directors and/or
5 managing agents of Defendants acted with a willful and/or knowing disregard of the probable
6 dangerous, and/or acted with an awareness of the probable dangerous consequences of their
7 conduct and deliberately failed to avoid those consequences, thereby creating a substantial risk of
8 injury to Plaintiff. Plaintiff is entitled to punitive and exemplary damages in an amount to be
9 ascertained, which is appropriate to punish or set an example of Defendants and deter such
10 behavior by Defendants and others in the future.

11 99. Plaintiff is entitled to attorney's fees under Cal. Labor Code section 3856(b).
12 Plaintiff also is entitled to attorney's fees under Cal. Code of Civil Procedure section 1021.5
13 because the successful prosecution of this action will confer a significant benefit, both pecuniary
14 and non-pecuniary, on the general public and a large group of persons by abating environmental
15 harm and preventing future harm to employees and residents of surrounding neighborhoods.
16 Further, the necessity and financial burden of private enforcement makes such an award
17 appropriate as the litigation is not economically feasible or viable for Plaintiff to pursue on his
18 own and at his own expense, and attorney's fees should not in the interest of justice be paid out of
19 the recovery, if any.

20 **SECOND CAUSE OF ACTION**

21 **NEGLIGENCE PER SE**

22 100. Plaintiff incorporates by reference all allegations of the preceding paragraphs as
23 though fully set forth herein.

24 101. At all relevant times, Defendants, and each of them, were under a mandatory duty,
25 as handlers of hazardous material, to immediately report the release or threatened release thereof
26 to the unified program agency pursuant to Cal. Health & Safety Code § 25510(a), which
27 specifically states: "the handler or an employee, authorized representative, agent, or designee of a
28 handler, shall, upon discovery, immediately report any release or threatened release of a hazardous

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1 material to the unified program agency, and to the office, in accordance with the regulations
2 adopted pursuant to this section. The handler or an employee, authorized representative, agent, or
3 designee of the handler shall provide all state, city, or county fire or public health or safety
4 personnel and emergency response personnel with access to the handler's facilities."

5 102. At all relevant times, Defendants, and each of them, were under a mandatory duty
6 pursuant to Cal. Health & Safety Code § 41700 and South Coast AQMD Rule 402, which
7 collectively prohibit the discharge of air contaminants or other material that cause injury,
8 detriment, nuisance, or annoyance to any considerable number of persons or to the public, or that
9 endanger the comfort, repose, health, or safety of any of those persons or the public, or that cause,
10 or have a natural tendency to cause, injury or damage to business or property. Specifically, Cal.
11 Health & Safety Code § 41700 states: "a person shall not discharge from any source whatsoever
12 quantities of air contaminants or other material that cause injury, detriment, nuisance, or
13 annoyance to any considerable number of persons or to the public, or that endanger the comfort,
14 repose, health, or safety of any of those persons or the public, or that cause, or have a natural
15 tendency to cause, injury or damage to business or property."

16 103. The aforementioned statutes and/or regulations were intended to protect against the
17 type of harm suffered by Plaintiff, and Plaintiff is within the class of persons for whose protection
18 the aforementioned statutes and/or regulations were adopted.

19 104. The aforementioned mandatory duties were breached when Defendants, and each
20 of them, (a) failed to implement reasonable safety and leak prevention practices; (b) failed to
21 properly inspect, assess, and/or evaluate the integrity of well SS-25 and other wells at the Facility
22 in compliance with applicable safety standards and regulations; (c) failed to have an adequate and
23 appropriate response plan to timely, adequately, promptly and properly respond to and contain the
24 leak; and/or (d) failed to promptly inform and/or grant access to the well to proper authorities
25 pursuant to Health & Safety Code § 25510(a).

26 105. As a direct and legal result of the wrongful acts and/or omissions of Defendants,
27 and each of them, Plaintiff suffered and continues to suffer damages as herein above set forth.
28

1 **THIRD CAUSE OF ACTION**

2 **STRICT LIABILITY FOR ULTRAHAZARDOUS ACTIVITIES**

3 106. Plaintiff incorporates and re-alleges each of the paragraphs above as though fully
4 set forth herein.

5 107. Defendants knew or should have known that storing and distributing natural gas
6 through aged, deteriorated and unmaintained pipes and storage facilities that were overdue for
7 inspection and repair, with no safety valves and, with incomplete well casings, would inevitably
8 leak, as other similar facilities of Defendants had previously leaked, and would create actual harm
9 to the persons working at or living in the vicinity of the Aliso Canyon Facility. Defendants knew
10 or should have known that the chemicals in the wells at the facility, including methane, ethane,
11 propane, n-butane, hydrogen sulfide, benzene and radon, which are known human carcinogens, are
12 the types of chemicals that if they are released in the air in the environment, they cannot be made
13 reasonably safe and will result in a toxic contamination exposing persons to a serious risk of harm
14 to their health, and the act of exposing persons to that risk for the sole reason that Defendants
15 chose not to maintain the condition of their facility, or even warn plaintiffs who were in the
16 vicinity of the risk of exposure because Defendants were consciously choosing not to maintain
17 their facility is an ultra-hazardous activity because it cannot be made safe through the exercise of
18 reasonable care.

19 108. Defendants, and each of them, were engaged in ultra-hazardous activities by
20 storing, transporting and retrieving natural gas in a manner which necessitated the accumulation
21 and potential release of noxious and toxic fumes and chemicals, some of which were known
22 carcinogens. As such, the high risk of harm outweighed any benefits arising out of defendants'
23 activities.

24 109. As a direct and legal result of the storage and distribution of natural gas and other
25 toxic substances by Defendants in aged, deteriorated and unmaintained pipes and storage facilities
26 that were overdue for inspection and repair, and would inevitably be leaking, Defendants, and
27 each of them, caused noxious and toxic fumes, gases, and chemicals to escape from the Facility
28 and failed to warn Plaintiff, causing the harm described herein.

110. The harm to Plaintiff was and is the kind of harm that would be reasonably be anticipated as a result of the risks created by the kind of activities engaged in by Defendants, and each of them, in close proximity to residential areas.

111. Defendants, and each of them, are liable to Plaintiff for all damages arising from this ultra-hazardous activity, including all compensatory damages, punitive damages pursuant to Cal. Civ. Code § 3294, and attorneys' fees pursuant to Cal. Civ. Code § 1021.5.

FOURTH CAUSE OF ACTION

INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS

112. Plaintiff re-alleges and incorporates herein by reference, as though fully set forth at length, all of the preceding allegations and statements.

113. At all times herein mentioned, defendants knew that their wells at the Facility were aging and were in a state of disrepair, requiring updating and repair of corrosion to prevent leakage of natural gas and exposure of natural gas and its chemical constituents to the neighboring communities. Specifically, in testimony before the PUC in November 2014, Defendants reported to the PUC “While SoCalGas currently meets existing requirements under DOGGR regulations, the possibility of a well related incident still exists, given the age of the wells and their heavy utilization.” Defendants failed to construct and maintain their wells in compliance with existing standards, and knew at all times that their wells were out of compliance for numerous reasons, including a failure to cement the entire length of casing in the well, and because the wells were being used to inject gas through the casing, rather than using the casing for leak protection. Leaks were noted to have occurred at wells at the field in 2008 and 2013 due to the aging of the wells. Defendants were well aware of previous leaks at other facilities going back to the 1980s, resulting in exposure of neighboring communities to chemicals and in Defendants having to pay fines to regulatory bodies. Defendants outlined a program of needed inspections and repairs to make the Aliso Canyon Facility safe. Defendants advised the PUC “Ultrasonic surveys conducted in storage wells as part of well repair work from 2008 to 2013 identified internal/external casing corrosion, or mechanical damage in 15 wells.” Defendants elected to defer immediate repair of the corroding pipes in the year 2014 in order to save money and instead applied to the PUC for a

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1 rate increase to cover the cost of repairs. Defendants made no attempt to bring their wells up to
2 current standards of construction, and instead continued to maintain and operate the wells in
3 violation of well-established standards.

4 114. Further, Defendants failed to operate the wells in accordance with industry
5 standards. For example, Defendants removed or never installed functioning safety valves at the
6 base of most gas injection wells, including well SS-25. A subsurface safety valve would have
7 blocked migration of the gas from the reservoir during the blowout. Moreover, well SS-25, like
8 numerous other wells at the facility, did not have cemented casing all the way up to the surface.

9 115. With conscious disregard for the safety of the residents, workers and CPUC
10 investigators, Defendants intentionally allowed their aging and deficient wells to remain in a
11 deteriorating condition where they were certain to fail with time, knowing that the wells did not
12 have safety valves that would have resulted in early detection of a gas leak and would have
13 enabled Defendants to shut off the leak at an early stage, and knowing that in the event of a gas
14 leak, enormous amounts of toxic contaminants would be released into the atmosphere and
15 environment, and would expose Plaintiff to the Contaminants.

16 116. Defendants' failure to repair the aging pipes and to maintain the wells in a
17 reasonably safe condition, in light of the disastrous consequences in the event of a failure, is
18 conduct that is shocking and in conscious disregard of the rights and well-being of thousands upon
19 thousands of innocent residents of the neighboring communities, whose existence was well known
20 to defendants, and the risk that Defendants deliberately exposed Plaintiff to is an outrageous act
21 that exceeds all bounds of decency tolerated by our society because it was done for the sole
22 purpose of saving Defendants the cost of safely maintaining its well field.

23 117. Defendants exhibited a reckless disregard for the probability of causing Plaintiff
24 severe emotional distress by deliberately exposing Plaintiff to toxic chemicals in the environment,
25 and by failing and refusing to promptly take steps to acknowledge or remedy the situation, once it
26 unfolded. Specifically, Defendants were slow to act in informing Plaintiff of the dangers to his
27 health, were slow to act in stopping the leak, were slow to act in responding to governmental
28 requests for information and answers about the leak and the progress in stopping the leak, and as a

1 result, Defendants exposed Plaintiffs to a disastrous situation.

2 118. Defendants intentionally failed to promptly take steps to stop the contamination or
3 to warn plaintiffs of the contamination and its consequences, once it was apparent that there was a
4 leak that was exposing Plaintiff to the contaminants. In fact, in February 2016, Los Angeles
5 County District Attorney Jackie Lacey filed three misdemeanor criminal charges against
6 Defendant SoCalGas for its failure to report the gas leak between October 23, 2016 and October
7 26, 2016 and one count of discharge of air contaminants in violation of California Health and
8 Safety Code section 41700.

9 119. Defendants, and each of them, engaged in outrageous, malicious, and/or intentional
10 conduct, and conduct that was in conscious disregard of the rights of Plaintiff, who Defendants
11 knew was working or otherwise present in the vicinity of the Aliso Canyon Facility, by
12 constructing, operating and/or maintaining the Facility and the injection wells at that Facility with
13 knowledge that many of those wells were old, deteriorating and/or lacked adequate safety
14 measures, and Defendants failed to prevent the type of catastrophe which occurred on or about
15 October 23, 2015. Defendants, and each of them, also knew, or should have known, that well
16 SS25 had, months before, began to leak but deliberately did nothing to address the growing danger
17 nor warn Plaintiff or public health officials of the growing danger. In fact, while Defendants had a
18 statutory obligation under Proposition 65 to provide Plaintiff with a clear and reasonable warning
19 regarding the carcinogenic and reproductive hazards of the benzene exposures caused by their
20 conduct, they chose instead to first conceal the exposure and then later represent that such
21 exposure posed no health risks whatsoever.

22 120. Defendants, and each of them, acted with reckless disregard of the probability that
23 Plaintiff would suffer emotional distress, knowing that Plaintiff worked on the Facility and was
24 foreseeably in danger of suffering harm in the event of a leak or blowout.

25 121. The wrongful acts and/or omissions of Defendants, and each of them, were
26 outrageous, being so extreme that they go beyond all possible bounds of decency tolerable in a
27 civilized community, by, and not limited to, ignoring a high risk of serious injury to the habitants
28 of Porter Ranch, Granada Hills, Northridge, Chatsworth and neighboring communities and their

1 property from an underground gas well breach.

2 122. As a direct and legal result of the outrageous conduct of Defendants, Plaintiff was
3 hurt and injured in his health, strength, and activity, suffering from severe emotional distress, fear,
4 anxiety, and worry over the damage to himself and his loved ones. Plaintiff is informed and
5 believes that his serious emotional distress will continue indefinitely because of the uncertainties
6 associated with the exposure to toxic gases and chemicals and its impact on his future health and
7 well-being, all to Plaintiff's general damage in amounts according to proof at trial.

8 **FIFTH CAUSE OF ACTION**

9 **NEGLIGENT INFLICTION OF EMOTIONAL DISTRESS**

10 123. Plaintiff re-alleges and incorporates the foregoing paragraphs as though fully set
11 forth herein.

12 124. As a result of Defendants' negligence, natural gas has been contaminating the
13 communities surrounding the Aliso Canyon Facility. This natural gas contains mercaptan,
14 benzene, toluene, ethyl benzene, xylene and methane.

15 125. Mercaptan is added to natural gas to give it a distinctive odor so that it is
16 noticeable in the event of a leak. Short-term exposure to mercaptan is known to cause
17 neurological, gastrointestinal, and respiratory injuries. Exposure to toluene can cause dizziness,
18 headaches, unconsciousness, irritation of the eye, dermatitis, and can have other central nervous
19 system effects.

20 126. Benzene is categorized by the Environmental Protection Agency as a known human
21 carcinogen. Moreover, the first reports of fatal blood disorders caused by benzene exposure
22 appeared in scientific literature as early as the 1890s.

23 127. As early as 1948, the American Petroleum Institute ("API") published the guideline
24 that the only absolutely safe level of exposure to benzene was 0%.

25 128. Epidemiological studies and evidence during the 1970's confirmed that exposure to
26 benzene was a cause of acute myelogenous leukemia. Hairy cell leukemia is very rare, but studies
27 also suggest significant numbers of people with this form of leukemia were exposed to benzene.

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1 129. California Health and Safety Code section 41700 provides in part “a person shall
2 not discharge from any source whatsoever quantities of air contaminants or other material that
3 cause injury, detriment, nuisance, or annoyance to any considerable number of persons or to the
4 public...”

5 130. Commencing on or about October 23, 2015 until on or about February 11, 2016,
6 Defendants SoCalGas violated California Health and Safety Code section 41700 by discharging
7 toxic chemicals, in quantities which have caused and/or have a natural tendency to cause injury,
8 detriment, nuisance, or annoyance, into the air and environment in the communities surrounding
9 the Aliso Canyon Facility.

10 131. Defendants’ discharges from the Facility have violated, and continue to violate,
11 Health and Safety Code section 41700.

12 132. Additionally, California Health and Safety Code section 25510, subdivision (a),
13 requires that Defendants shall “upon discovery, immediately report any release or threatened
14 release of a hazardous material to the unified program agency, and to the office, in accordance
15 with the regulations adopted pursuant to this section.”

16 133. Defendants discovered the release of natural gas at the Aliso Canyon Facility on or
17 about October 23, 2015. Defendants, however, failed to report the release of hazardous materials
18 to the appropriate unified program agency until October 26, 2015.

19 134. Defendants’ failure to immediately report the natural gas leak violates the legal
20 duty contained in Health and Safety Code section 25510.

21 135. As a direct and legal result of the wrongful acts and/or omissions of Defendants,
22 and each of them, Plaintiff suffered severe emotional pain and suffering. Upon information and
23 belief, the long term or future effects of such exposure is unknown and, therefore, will result in
24 permanent severe emotional distress to Plaintiff who is worried and fearful for his own future
25 health and well-being, and his ability to care for his children.

26 136. Plaintiff is entitled to attorney’s fees under Cal. Code of Civil Procedure section
27 1021.5 because the successful prosecution of this action will confer a significant benefit, both
28 pecuniary and non-pecuniary, on the general public and a large group of persons by abating

1 environmental harm and preventing future harm to employees and residents of surrounding
2 neighborhoods. Further, the necessity and financial burden of private enforcement makes such an
3 award appropriate as the litigation is not economically feasible or viable for Plaintiff to pursue on
4 his own and at his own expense, and attorney's fees should not in the interest of justice be paid out
5 of the recovery, if any.

6 137. Due to the on-going fear, anxiety, and worry Plaintiff will suffer into the future,
7 Plaintiff is entitled to damages according to proof at trial and for medical monitoring to determine
8 if the prolonged exposure to methane, benzene, hydrogen sulfide, sulfur dioxide and other toxic
9 chemicals will lead to serious disease requiring medical treatment.

10 **SIXTH CAUSE OF ACTION**

11 **FRAUDULENT CONCEALMENT**

12 138. Plaintiff re-alleges and incorporates herein by reference, as though fully set forth at
13 length, all of the preceding allegations and statements.

14 139. Plaintiff is informed and believes that Defendants, and each of them, knew that
15 hazardous levels of toxic chemicals, including but not limited to methane, benzene, toluene, ethyl
16 benzene, xylene, and hydrogen sulfide, were likely to emanate from any gas leak at the Facility.

17 140. Plaintiff is informed and believes that Defendants, and each of them, knew and
18 concealed the fact there were inadequate safety measures in place at the Facility to prevent this
19 type of gas leak. For example, Defendants removed or never installed functioning safety valves at
20 the base of most gas injection wells. Defendants informed DOGGR in 1979 that it "replaced" the
21 subsurface safety valve on SS-25 and continued to report the presence of the subsurface safety
22 valve through 2014. After the gas leak, however, Defendants stated they "removed" the
23 subsurface valve in 1979.

24 141. Defendants intentionally withheld from Plaintiff, the public, and public health
25 officials, the knowledge that Defendants removed or never installed functioning safety valves at
26 the base of most gas injection wells, including but not limited to the fact that they removed and
27 never replaced the safety valve on SS-25.

28 142. Plaintiff is informed and believe that on/or before October 23, 2015, Defendants,

1 and each of them, discovered a gas leak at the Facility. Plaintiff is further informed and believe
2 that Defendants, and each of them, concealed the existence of the leak from employees and the
3 residents in the surrounding communities for at least several days, if not months. Defendants, and
4 each of them, intentionally withheld from Plaintiff the knowledge that toxic chemicals had
5 contaminated, or were at risk of contaminating, people working at the Facility or living in the
6 communities surrounding the Facility, and SoCalGas and Sempra, and each of them, failed to
7 provide Plaintiff any warning regarding the danger despite the fact that these facts were known
8 only to SoCalGas and/or Sempra and Plaintiff could not reasonably have discovered such facts.

9 143. Defendants intentionally failed to promptly take steps to stop the contamination or
10 to warn plaintiffs of the contamination and its consequences, once it was apparent that there was a
11 leak that was exposing Plaintiff to the contaminants. In fact, in February 2016, Los Angeles
12 County District Attorney Jackie Lacey filed three misdemeanor criminal charges against
13 Defendant SoCalGas for its failure to report the gas leak between October 23, 2016 and October
14 26, 2016 and one count of discharge of air contaminants in violation of California Health and
15 Safety Code section 41700

16 144. Defendants, and each of them, intended to conceal the true facts from Plaintiff and
17 intended Plaintiff to remain ignorant in order for SoCalGas and Sempra, and each of them, to
18 continue to operate the Facility for their financial gain.

19 145. Defendants, and each of them, had exclusive knowledge of the existence of the gas
20 leak and the lack of safety valves at the base of most of the gas injection wells, including well SS-
21 25.

22 146. Plaintiff reasonably relied on Defendants and was, therefore, in no position to take
23 corrective measures to avoid or minimize the risks created by operations of SoCalGas and Sempra,
24 and each of them, at the Facility.

25 147. Had Plaintiff been aware of the true facts he would have taken measures to protect
26 himself from exposure to the harmful chemicals and gases emitted by the gas leak.

27 148. As a direct and legal result of the fraudulent acts and/or omissions of Defendants,
28 and each of them, Plaintiff suffered and continues to suffer damages, losses, and injuries described

1 above in amounts according to proof at trial.

2 **SEVENTH CAUSE OF ACTION**

3 **ASSAULT & BATTERY**

4 149. Plaintiff re-alleges and incorporates herein by reference, as though fully set forth at
5 length, all of the preceding allegations and statements.

6 150. Beginning on November 4, 2015, Defendants unlawfully and intentionally assisted
7 and battered Plaintiff by letting harmful gases touch his person, all without his consent.

8 151. As a direct and legal result of the wrongful acts and/or omissions of Defendants,
9 and each of them, Plaintiff suffered damages, including but not limited to inhalation of noxious
10 and toxic gases, chemicals, and/or fumes resulting in personal injuries including, but not limited
11 to, headaches. The exposure ultimately increased his risk of cancer including hairy cell leukemia.
12 Upon information and belief, some or all the health effects may result in permanent impairments
13 and/or disabilities, all to their general damage in a sum according to proof.

14 152. As a direct and legal result of the wrongful acts and/or omissions of Defendants,
15 and each of them, Plaintiff is required to, and continues to, employ physicians and/or other health
16 care providers to examine, treat, and care for his injuries. Plaintiff has incurred, and will continue
17 to incur, medical and incidental expenses for such examination, treatment, rehabilitation, and care,
18 all in an amount according to proof.

19 153. As a direct and legal result of the wrongful acts and/or omissions of Defendants,
20 and each of them, Plaintiff has been put at risk for the development of other latent health
21 problems, such that he now requires medical monitoring for such problems in the future.

22 154. As a direct and legal result of the wrongful acts and/or omissions of Defendants,
23 and each of them, Plaintiff has incurred, and will continue to incur, a loss of income and/or a loss
24 of earning capacity, all in an amount according to proof.

25 155. The wrongful acts, representations and/or omissions of Defendants, hereinabove set
26 forth, were made, adopted, approved, authorized, endorsed and/or ratified by their officers,
27 directors or managing agents, and were done maliciously, oppressively, fraudulently and/or with a
28 willful and knowing disregard of the probable dangerous consequences for the health and safety of

1 Plaintiff. The officers, directors and/or managing agents of Defendants had advanced knowledge
2 of aging infrastructure, including but not limited to aging wells, pipelines, and/or safety systems;
3 and/or the lack of an effective integrity management program to ensure the safety of the operation
4 of their well facility. The officers, directors and/or managing agents of Defendants also had
5 advanced knowledge that a failure to maintain, inspect, assess, replace, and/or repair infrastructure
6 would result in the probability of a catastrophic event, which foreseeably would lead to harm
7 and/or injuries to the health and safety of Plaintiff. Defendants intentionally chose not to spend
8 necessary funds for testing, assessments, maintenance, and evaluations that were earmarked from
9 rate increases, and instead reallocated funds in a manner designed to improve the company's
10 financial performance, and/or to increase executive bonuses. Defendants, by their officers,
11 directors and/or managing agents, ratified the wrongful acts and/or omissions by failing to
12 discipline any of their employees or take actions to ensure that the same conduct would not occur
13 again. Further, officers, directors and/or managing agents of Defendants were aware that their
14 failure and/or disregard for having established plans, processes, and/or protocols to address
15 infrastructure failures would lead to the probable dangerous consequence of a sustained
16 catastrophic event, which would result in harm or injury to the health and safety of Plaintiff. In
17 failing to take protective measures to safeguard against the danger, the officers, directors and/or
18 managing agents of Defendants acted with a willful and/or knowing disregard of the probable
19 dangerous, and/or acted with an awareness of the probable dangerous consequences of their
20 conduct and deliberately failed to avoid those consequences, thereby creating a substantial risk of
21 injury to Plaintiff. Plaintiff is entitled to punitive and exemplary damages in an amount to be
22 ascertained, which is appropriate to punish or set an example of Defendants and deter such
23 behavior by Defendants and others in the future.

24 **VI. PRAYER FOR RELIEF**

25 156. WHEREFORE, Plaintiff requests relief against all Defendants as follows:

- 26 a. a judgment in favor of Plaintiff on all claims;
- 27 b. for compensatory and general damages according to proof;
- 28 c. an award to Plaintiff for the amount of damages, including personal injuries

- 1 according to proof;
- 2 d. past and future medical expenses and incidental expenses according to proof;
- 3 e. loss of wages, earning capacity, and/or business profits or proceeds, according to
- 4 proof.
- 5 f. the cost of future medical monitoring;
- 6 g. general damages for fear, worry, annoyance, discomfort, disturbance,
- 7 inconvenience, mental anguish, and emotional distress;
- 8 h. an award to Plaintiff for punitive and exemplary damages according to proof;
- 9 i. all costs of suit, including attorneys' fees where appropriate, appraisal fees,
- 10 engineering fees and related costs;
- 11 j. for reasonable attorneys' fees pursuant to Cal. Labor Code section 3856(b);
- 12 k. for reasonable attorneys' fees pursuant to California Code of Civil Procedure,
- 13 section 1021.5;
- 14 l. for pre- and post-judgment interest at the legal rate on all amounts awarded; and
- 15 m. for all other relief as this Court may deem just and proper.
- 16

17 DATED: June 3, 2019

PARRIS LAW FIRM

18
19 By: 

20 R. Rex Parris
21 Patricia K. Oliver
22 Christopher L. Casillas
23 Counsel for Plaintiffs
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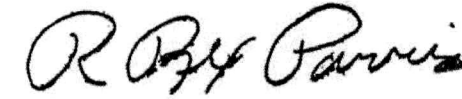
1 **VII. JURY TRIAL DEMAND**

2 158. Plaintiff demands a trial by jury on all of the triable issues within this Complaint.

3 DATED: June 3, 2019

PARRIS LAW FIRM

4
5 By:



6 R. Rex Parris
7 Patricia K. Oliver
8 Christopher L. Casillas
9 Counsel for Plaintiffs
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06/04/2019

EXHIBIT A

06/04/2019

To: Koskie, W. Jeff [WKoskie@semprautilities.com]
From: Bruno, Kenneth
Sent: Wed 11/4/2015 5:44:11 PM
Importance: Normal
Subject: RE: Aliso Canyon / Porter Ranch
Received: Wed 11/4/2015 5:44:12 PM

I'm here...walking up now.

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: "Koskie, W. Jeff"
Date: 11/03/2015 8:00 PM (GMT-08:00)
To: "Bruno, Kenneth"
Cc: "Cho, Jimmie I"
Subject: RE: Aliso Canyon / Porter Ranch

Ken,

Just a reminder. You'll need appropriate footwear (boots or leather shoes) and a hard hat. We have hard hats available, if necessary. Also, it can get cold, so you might want wear layered clothing.

See you in the morning!

Jeff

From: Bruno, Kenneth [mailto:kenneth.bruno@cpuc.ca.gov]
Sent: Tuesday, November 03, 2015 3:34 PM
To: Koskie, W. Jeff
Cc: Cho, Jimmie I
Subject: RE: Aliso Canyon / Porter Ranch

Okay – let's stick to 10AM then. Thanks – see you tomorrow.

Ken

Kenneth Bruno

Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
Office: 213-576-6297 Cell: 415-852-2936
E-mail: kenneth.bruno@cpuc.ca.gov

From: Koskie, W. Jeff [mailto:WKoskie@semprautilities.com]
Sent: Tuesday, November 03, 2015 3:34 PM
To: Bruno, Kenneth
Cc: Cho, Jimmie I
Subject: RE: Aliso Canyon / Porter Ranch

9400 Oakdale Avenue, Chatsworth

I have a conference call at Chatsworth from 9 to 9:30, so it will be helpful if can avoid arriving prior to 9:30.

Work for you?

Jeff

From: Bruno, Kenneth [<mailto:kenneth.bruno@cpuc.ca.gov>]
Sent: Tuesday, November 03, 2015 3:31 PM
To: Koskie, W. Jeff
Subject: RE: Aliso Canyon / Porter Ranch

Can you send me the Chatsworth HQ address? Let's plan on meeting around 9:30AM.

Ken

From: Koskie, W. Jeff [<mailto:WKoskie@semprautilities.com>]
Sent: Tuesday, November 03, 2015 9:21 AM
To: Bruno, Kenneth
Subject: RE: Aliso Canyon / Porter Ranch

Thanks. Give me a call when you are near the Chatsworth headquarters.

Jeff

From: Bruno, Kenneth [<mailto:kenneth.bruno@cpuc.ca.gov>]
Sent: Tuesday, November 03, 2015 9:20 AM
To: Koskie, W. Jeff
Cc: Tong, Kan Wai
Subject: RE: Aliso Canyon / Porter Ranch

Sounds like a plan, thanks Jeff.

Ken

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
Office: 213-576-6297 Cell: 415-852-2936
E-mail: kenneth.bruno@cpuc.ca.gov

From: Koskie, W. Jeff [<mailto:WKoskie@semprautilities.com>]
Sent: Tuesday, November 03, 2015 9:16 AM
To: Bruno, Kenneth
Cc: Tong, Kan Wai
Subject: RE: Aliso Canyon / Porter Ranch

Yes. I've got some hand-outs also that I'll give you at our meeting at 10.

It may be best for us to meet at our Chatsworth headquarters, then then you can follow me up through security, etc.. The entrance is about 5 miles from the Chatsworth headquarters.

Jeff

From: Bruno, Kenneth [<mailto:kenneth.bruno@cpuc.ca.gov>]
Sent: Tuesday, November 03, 2015 9:10 AM
To: Koskie, W. Jeff
Cc: Tong, Kan Wai
Subject: Aliso Canyon / Porter Ranch

Jeff – could you send me the location data for the Porter Ranch / Aliso Canyon storage leak? I'd like to come out tomorrow morning around 10AM. Thanks,

Ken

Kenneth Bruno

Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
Office: 213-576-6297 Cell: 415-852-2936
E-mail: kenneth.bruno@cpuc.ca.gov

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06/04/2019

06/04/2019

EXHIBIT B

06/04/2019

To: 'Bruno, Kenneth'[kenneth.bruno@cpuc.ca.gov]
Cc: Prusnek, Brian C[BPrusnek@scg.ca.gov; bprusnek@utilities.com]
From: Meza, David
Sent: Tue 11/10/2015 12:43:02 AM
Importance: Normal
Subject: (Clarification & Logistics) RE: Aliso Canyon Briefing - invite
Received: Tue 11/10/2015 12:43:05 AM

Hi Kenneth,

Thank you for confirming your attendance. One small clarification, in the subject of the letter indicates opportunity to "visit... well leak site". **Re: Opportunity to visit Aliso Canyon storage well leak site, November 10**

For safety reasons, we are NOT taking stakeholders to the well site. However, we will make every effort to show you the well site from a safe vantage point some distance away, assuming conditions allow.

The primary purpose of the site visit is to provide an overview of the incident and our current status.

Logistics:

- Please arrive 15 minutes early
- Park at the cul de sac
- Attire: This is a construction type site please do not wear loose clothing, wear sturdy sole shoes/boots, pants and jacket.
- Call me if you should have any questions
- Address: 12801 Tampa Ave., Northridge, CA 91326

I look forward to our meeting.

David Meza

Public Affairs Manager
Southern California Gas Company
Cell: 323.605.9393



A Sempra Energy utility

From: Bruno, Kenneth [mailto:kenneth.bruno@cpuc.ca.gov]
Sent: Monday, November 09, 2015 3:55 PM
To: Meza, David
Cc: Prusnek, Brian C
Subject: FW: Aliso Canyon Briefing - invite

Confirming my attendance for this briefing tomorrow. I may arrive shortly after 1:30 PM.

Thanks,

Kenneth Bruno

Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission
Office: 213-576-6297 Cell: 415-852-2936
E-mail: kenneth.bruno@cpuc.ca.gov

From: Bruno, Kenneth

Sent: Monday, November 09, 2015 3:49 PM

To: 'Prusnek, Brian C'; Myers, Richard A

Cc: Kloberdanz, Kari; Koskie, W. Jeff; Bauer, Troy A.; van der Leeden, Ronald; Skopec, Dan; Allen, Peter; Prosper, Terrie D.

Subject: RE: Aliso Canyon Briefing - invite

Hi Brian – Yes I will attend for the CPUC. I may arrive a little after 1:30 PM as I need to be in the LA office until about 12:00PM tomorrow.

Thanks,

Ken

Kenneth Bruno

Program Manager

Gas Safety and Reliability Branch

Safety and Enforcement Division

California Public Utilities Commission

Office: 213-576-6297 Cell: 415-852-2936

E-mail: kenneth.bruno@cpuc.ca.gov

From: Prusnek, Brian C [<mailto:BPrusnek@semprautilities.com>]

Sent: Monday, November 09, 2015 3:27 PM

To: Myers, Richard A.; Bruno, Kenneth

Cc: Kloberdanz, Kari; Koskie, W. Jeff; Bauer, Troy A.; van der Leeden, Ronald; Skopec, Dan

Subject: Aliso Canyon Briefing - invite

Richard and Ken,

I would like to invite you to participate in an on-site briefing at our Aliso Canyon facility, for government agencies and elected representatives of the local community Tuesday, November 10, at 1:30-3:00 p.m.

Please excuse the short notice; however, in the midst of conducting evaluations of the well pipe, we have a window of opportunity to provide this briefing tomorrow afternoon.

For background information please take a moment to read the attached letter.

If you or your staff are interested in attending, please confirm your attendance or provide us with the names of attendees at your earliest convenience.

I will providing you with a more complete update tomorrow.

Brian C Prusnek

Director, Regulatory Affairs

Sempra Energy Utilities

415.346.3215 (o)

415.852.8092 (c)

San Francisco, CA 94102

This email originated outside of Sempra Energy. Be cautious of attachments, web links, or requests for information.

06/04/2019

06/04/2019

EXHIBIT C

Rule No. 30

Sheet 1

TRANSPORTATION OF CUSTOMER-OWNED GAS

The general terms and conditions applicable whenever the Utility System Operator transports customer-owned gas, including wholesale customers, the Utility Gas Procurement Department, other end-use customers, aggregators, marketers and storage customers (referred to herein as "customers") over its system are described herein.

A. General

1. Subject to the terms, limitations and conditions of this rule and any applicable CPUC authorized tariff schedule, directive, or rule, the customer will deliver or cause to be delivered to the Utility and accept on redelivery quantities of gas which shall not exceed the Utility's capability to receive or redeliver such quantities. The Utility will accept such quantities of gas from the customer or its designee and redeliver to the customer on a reasonably concurrent basis an equivalent quantity, on a term basis, to the quantity accepted.
2. The customer warrants to the Utility that the customer has the right to deliver the gas provided for in the customer's applicable service agreement or contract (hereinafter "service agreement") and that the gas is free from all liens and adverse claims of every kind. The customer will indemnify, defend and hold the Utility harmless against any costs and expenses on account of royalties, payments or other charges applicable before or upon delivery to the Utility of the gas under such service agreement.
3. The point(s) where the Utility will receive the gas into its intrastate system (point(s) of receipt, as defined in Rule No. 1) and the point(s) where the Utility will deliver the gas from its intrastate system to the customer (point(s) of delivery, as defined in Rule No. 1) will be set forth in the customer's applicable service agreement. Other points of receipt and delivery may be added by written amendment thereof by mutual agreement. The appropriate delivery pressure at the point(s) of delivery to the customer shall be that existing at such point(s) within the Utility's system or as specified in the service agreement.

B. Quantities

1. The Utility shall as nearly as practicable each day redeliver to customer and customer shall accept, a like quantity of gas as is delivered by the customer to the Utility on such day. It is the intention of both the Utility and the customer that the daily deliveries of gas by the customer for transportation hereunder shall approximately equal the quantity of gas which the customer shall receive at the point(s) of delivery. However, it is recognized that due to operating conditions either (1) in the fields of production, (2) in the delivery facilities of third parties, or (3) in the Utility's system, deliveries into and redeliveries from the Utility's system may not balance on a day-to-day basis. The Utility and the customer will use all due diligence to assure proper load balancing in a timely manner.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4240
DECISION NO. 11-04-032

1C16

ISSUED BY

Lee Schavrien
Senior Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED May 6, 2011
EFFECTIVE Jun 5, 2011
RESOLUTION NO. _____

06/04/2019

Rule No. 30
TRANSPORTATION OF CUSTOMER-OWNED GAS

Sheet 2

(Continued)

B. Quantities (Continued)

2. The gas to be transported hereunder shall be delivered and redelivered as nearly as practicable at uniform hourly and daily rates of flow. The Utility may refuse to accept fluctuations in excess of ten percent (10%) of the previous day's deliveries, from day to day, if in the Utility's opinion receipt of such gas would jeopardize other operations. Customers may make arrangements acceptable to the Utility to waive this requirement.
3. The Utility does not undertake to redeliver to the customer any of the identical gas accepted by the Utility for transportation, and all redelivery of gas to the customer will be accomplished by substitution on a therm-for-therm basis.
4. Transportation customers, including the Utility Gas Procurement Department, wholesale customers, contracted marketers, and Core Transport Agents (CTAs) will be provided monthly balancing services in accordance with the provisions of Schedule No. G-IMB.

C. Electronic Bulletin Board

1. The Utility prefers and encourages customers, including the Utility Gas Procurement Department, to use Electronic Bulletin Board (EBB) as defined in Rule No. 1 to submit their transportation nominations to the Utility. Imbalance trades are to be submitted through EBB or by means of the Imbalance Trading Agreement Form (Form 6544). Use of EBB is not mandatory for transportation only customers.
2. Transportation nominations may be submitted manually or through EBB.

D. Operational Requirements

1. Customer Representation

The customer must provide to the Utility the name(s) of any agents ("Agent") used by the customer for delivery of gas to the Utility for transportation service hereunder and their authority to represent customer.

A customer may choose only one of the following gas supply arrangements: 1) one Contracted Marketer, 2) one or multiple Agents (in addition to a Contracted Marketer if desired), or 3) itself for purposes of nominating to its end-use account (OCC).

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4842

DECISION NO.

2C12

ISSUED BY

Dan Skopec

Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jul 31, 2015

EFFECTIVE Apr 1, 2016

RESOLUTION NO.

06/04/2019

Rule No. 30

Sheet 3

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

2. Receipt Points

Utility accepts nominations from transportation customers or their representatives at the following Receipt Points into the SoCalGas system, as referenced in Schedule No. G-BTS*:

- El Paso Pipeline at Blythe (Southern Transmission Zone)
- North Baja Pipeline at Blythe (Southern Transmission Zone)
- Transportadora de Gas Natural de Baja California at Otay Mesa (Southern Transmission Zone)
- Kern River Pipeline and Mojave Pipeline (Wheeler Transmission Zone)
- PG&E at Kern River Station (Wheeler Transmission Zone)
- Occidental of Elk Hills at Gosford (Wheeler Transmission Zone)
- Transwestern Pipeline at North Needles (Northern Transmission Zone)
- Transwestern Pipeline at Topock (Northern Transmission Zone)
- El Paso Pipeline at Topock (Northern Transmission Zone)
- Questar Southern Trails Pipeline at North Needles (Northern Transmission Zone)
- Kern River Pipeline and Mojave Pipeline at Kramer Junction (Northern Transmission Zone)
- Line 85 (California Supply)
- North Coastal (California Supply)
- Other (California Supply)
- Storage

* Additional Receipt Points will be added as they are established in the future.

3. Backbone Transmission Capacity

Each day, Receipt Point and Backbone Transmission Zone capacities will be set at their physical operating maximums under the operating conditions for that day. The Utility will schedule nominations for each Receipt Point and Backbone Transmission Zone to the maximum operating capacity of that individual Receipt Point or Backbone Transmission Zone. The maximum operating capacity is defined as the facility design or contractual limitation to deliver gas into the Utility's system adjusted for operational constraints (i.e. maintenance, localized restrictions, and upstream delivery pressures) as determined each day.

The NAESB elapsed pro rata rules require that the portion of the scheduled quantity that would have theoretically flowed up to the effective time of the intraday nomination be confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected. As such, the scheduled quantities for each shipper are subject to change in the Intraday 1 Cycle, the Intraday 2 Cycle, and the Intraday Cycle 3. However, each shipper's resulting scheduled quantity for the Gas Day will be no less than the elapsed prorated scheduled quantity for that shipper.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4842

DECISION NO.

3C12

ISSUED BY

Dan Skopec

Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jul 31, 2015

EFFECTIVE Apr 1, 2016

RESOLUTION NO.

T
N

06/04/2019

Rule No. 30

Sheet 4

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

3. Backbone Transmission Capacity (Continued)

Each day, the Utility will use the following rules to confirm nominations to the Receipt Point and Backbone Transmission Zone maximum operating capacities. The Utility will also use the following rules to confirm nominations to the system capacity limitation as defined in Section F for OFO events during the Intraday 1 and Intraday 2 cycles; and during the Intraday 2 cycle when an OFO event is not called and nominations exceed system capacity.

Confirmation Order:

- Nominations using Firm Primary backbone transportation rights will be first; pro-rated if over-nominated*.
- Nominations using Firm Alternate backbone transportation rights within the associated transmission zone will be second ("Firm Alternate Within-the-Zone"); pro-rated if over-nominated.
- Nominations using Firm Alternate backbone transportation rights outside the associated transmission zone will be third ("Firm Alternate Outside-the-Zone"); pro-rated if over-nominated.
- Nominations using Interruptible backbone transportation rights will be fourth, pro-rated if over-nominated.
- Southern Transmission Receipt Points will not be reduced in any cycle below 110% of the Southern System minimum flowing supply requirement established by the Gas Control Department.

Bumping Rules:

- Firm Primary rights can "bump" any Firm Alternate scheduled quantities through the Evening Cycle.
- Firm Alternate Within-the-Zone rights can "bump" Firm Alternate Outside-the-Zone scheduled quantities through the Evening Cycle.
- Firm Primary and any Firm Alternate can "bump" interruptible scheduled quantities through the Intraday 2 Cycle subject to the NAESB elapsed pro-rata rules.
- Bumping will not be allowed in the Intraday 3 Cycle.

- * If the available firm capacity at a particular receipt point or within a particular transmission zone is less than the firm capacity figures stated in Schedule No. G-BTS, scheduling of firm backbone transportation capacity nominations will be pro rata within each scheduling cycle. Any nominations of firm backbone transportation rights acquired through the addition of Displacement Backbone Transmission Capacity facilities will be reduced pro rata to zero at the applicable receipt point or within the applicable transmission zone prior to other firm backbone transportation rights nominations being reduced.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4842
 DECISION NO.

4C13

ISSUED BY

Dan Skopec

Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jul 31, 2015

EFFECTIVE Apr 1, 2016

RESOLUTION NO. _____

T
T

06/04/2015

Rule No. 30

Sheet 5

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

3. Backbone Transmission Capacity (Continued)

Priority Rules:

- a. Firm primary scheduled quantities in the Evening Cycle will have priority over a new firm primary nomination made in the Intraday 1 Cycle.
- b. Firm Alternate Inside-the-Zone scheduled quantities in the Evening Cycle will have priority over a new Firm Alternate Inside-the-Zone nomination made in the Intraday 1 Cycle.
- c. Firm Alternate Outside-the-Zone scheduled quantities in the Evening Cycle will have priority over a new Firm Alternate Outside-the-Zone nomination made in the Intraday 1 Cycle.
- d. Interruptible scheduled quantities in the Evening Cycle will have priority over a new Interruptible nomination made in the Intraday 1 Cycle.
- e. This same structure will be applied in going from Intraday 1 Cycle (Cycle 3) to Intraday 2 Cycle (Cycle 4) to Intraday 3 Cycle (Cycle 5). However, this hierarchy will not affect Intraday 4 Cycle (Cycle 6) nominations or the elapsed pro-rata rule.

4. Storage Service Capacity

Each day, storage injection and withdrawal capacities will be set at their physical operating maximums under the operating conditions for that day and posted on the Utility's EBB. These capacities will take into account offsetting injection or withdrawal activity that effectively increase withdrawal or injection capacities. *Injection nominations will be held to the injection capacity specified in the Operational Flow Order (OFO) calculation on the EBB in every flowing cycle regardless of OFO status.** The Utility will use the following rules to limit the nominations to the storage maximums.

As necessary, withdrawal or injection allocated to the daily balancing function will be set aside and given first priority every day.

- Nominations using Firm storage rights will have the next priority, pro-rated, if necessary to the available storage capacity.
- All other nominations using Interruptible storage rights will have the lowest priority, pro-rated if over-nominated based on the daily volumetric price paid.
- On low OFO days the volume of interruptible withdrawal will be cut in half relative to the calculation on a non-OFO day. If interruptible nominations immediately prior to the low OFO were above this level, then they will be held constant through the low OFO.
- Firm storage rights can "bump" interruptible scheduled storage quantities through the Intraday 3 cycle.

Notice to bumped parties will be provided via the Transactions module in EBB. Bumping is subject to the NAESB elapsed prorata rules.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 4996
DECISION NO. 16-06-039

5C13

ISSUED BY

Dan Skopec

Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jul 25, 2016

EFFECTIVE Sep 1, 2016

RESOLUTION NO. _____

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06/04/2019

Rule No. 30
TRANSPORTATION OF CUSTOMER-OWNED GAS

Sheet 6

(Continued)

D. Operational Requirements (Continued)

5. Off-System Delivery (OSD) Service

For each flow date, the Utility will determine the quantity of capacity available for off-system deliveries. The quantity will include that available via physical redelivery from the Utility system along with displacement of forward haul flowing supplies. For each nomination cycle, the Utility customers who have contracted with the Utility for off-system delivery service may submit a nomination for such service pursuant to Schedule No. G-OSD and Section D.6. "Nominations" below, for deliveries to the PG&E system and to the Utility Transmission system's interconnection points with all interstate and international pipelines, but excluding California-produced gas supply lines.

The following rules will be used in scheduling of Off-System Delivery Services:

- Nominations using Firm OSD rights will have first priority; pro-rated if over-nominated.
- Nominations using Interruptible OSD rights will have second priority; pro-rated if over-nominated.
- Firm OSD rights can "bump" Interruptible OSD scheduled quantities through the Intraday 2 Cycle, subject to the NAESB elapsed pro-rata rules.
- Bumping of Interruptible OSD rights by Firm OSD rights will not be allowed in the Intraday 3 Cycle.
- Both Firm and Interruptible OSD rights, at any Delivery Point, can be reduced in any cycle, including during curtailment events, (subject to the NAESB elapsed pro rata rules) if, in the sole judgment of the Utility, the discontinuation or reduction of OSD service at that Delivery Point would diminish the need for the Utility to bring additional gas into the Utility's system at an additional cost or reduce the level of curtailment to any Utility customer.
- Reduction of Interruptible OSD nominations at any Delivery Point will be prorated at that particular Delivery Point.
- Reduction of Firm OSD nominations at any Delivery Point will be prorated at that particular Delivery Point.

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(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5050
DECISION NO. 16-07-008

6C15

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Dan Skopec
Vice President
Regulatory Affairs

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06/04/2019

Rule No. 30
TRANSPORTATION OF CUSTOMER-OWNED GAS

Sheet 7

(Continued)

D. Operational Requirements (Continued)

6. Nominations

The customer shall be responsible for submitting gas service nominations to the Utility no later than the deadlines specified below.

Each nomination shall include all information required by the Utility's nomination procedures. Nominations received by the Utility will be subject to the conditions specified in the service agreements with the Utility. The Utility may reject any nomination not conforming to the requirements in these rules or in applicable service agreements. The customer shall be responsible for making all corresponding upstream nomination/confirmation arrangements with the interconnecting pipeline(s) and/or operator(s).

Evening and Intraday nominations may be used to request an increase or decrease to scheduled volumes or a change to receipt or delivery points.

Intraday nominations do not roll from day to day.

Nominations submitted in any cycle will automatically roll to subsequent cycles for the specified flow date and from day-to-day through the end date or until the end date is modified by the nominating entity.

Nominations may be made in the following manner:

<u>FROM</u>	<u>TO</u>
Pipeline/CA Producer	Backbone Transportation Service Contract
Backbone Transportation Service Contract	End User, Contracted Marketer, CTA
Backbone Transportation Service Contract	Citygate Pool Account
Backbone Transportation Service Contract	Storage Account
Citygate Pool Account	End User, Contracted Marketer, CTA
Citygate Pool Account	Citygate Pool Account
Storage Account	End User, Contracted Marketer, CTA
Citygate Pool Account	Storage Account
Storage Account	Citygate Pool Account
Storage Account	Storage Account
Storage Account	Off-System Delivery Contract
Citygate Pool Account	Off-System Delivery Contract
End User, Contracted Marketer, CTA	Storage Account

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 4842
 DECISION NO.

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 DATE FILED Jul 31, 2015
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06/04/2015

Rule No. 30

Sheet 8

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

6. Nominations (Continued)

FROM

TO (Continued)

Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract
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Off-System Delivery Contract
Off-System Delivery Contract
Off-System Delivery Contract

PG&E Pipeline (at Kern River Station)
Mojave Pipeline (at Wheeler Ridge)
Mojave Pipeline (at Kramer Junction)
Kern River Pipeline (at Wheeler Ridge)
Kern River Pipeline (at Kramer Junction)
Questar Southern Trails Pipeline (at North Needles)
Transwestern Pipeline (at North Needles)
Transwestern Pipeline (at Topock)
El Paso Pipeline (at Topock)
El Paso Pipeline (at Blythe)
North Baja Pipeline (at Blythe)
Transportadora de Gas Natural de Baja California
(at Otay Mesa)
Receipt Point Pool Account
Receipt Point Pool Account
Backbone Transportation Contract

7. Timing

All times referred to below are in Pacific Clock Time. Requests for deadline extensions may be granted for 15 minutes only if request is made prior to the deadlines shown below.

Timely Cycle

Transportation nominations submitted via EBB for the Timely Nomination cycle must be received by the Utility by 11:00 a.m. one day prior to the flow date. Nominations submitted via fax must be received by the Utility by 10:00 a.m. one day prior to the flow date. Timely nominations will be effective at 7:00 a.m. on the flow date.

Evening Cycle

Nominations submitted via EBB for the Evening Nomination cycle must be received by the Utility by 4:00 p.m. one day prior to the flow date. Nominations submitted via fax must be received by the Utility by 3:00 p.m. one day prior to the flow date. Evening nominations will be effective at 7:00 a.m. on the flow date.

(Continued)

(TO BE INSERTED BY UTILITY)

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DECISION NO.

8C4

ISSUED BY

Dan Skopek

Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

DATE FILED Jul 31, 2015

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06/04/2019

Rule No. 30

Sheet 9

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

D. Operational Requirements (Continued)

7. Timing (Continued)

Intraday 1 Cycle

Nominations submitted via EBB for the Intraday 1 Nomination cycle must be received by the Utility by 8:00 a.m. on the flow date. Nominations submitted via fax must be received by the Utility by 7:00 a.m. on the flow date. Intraday 1 nominations will be effective at 12:00 p.m. the same day.

Intraday 2 Cycle

Nominations submitted via EBB for the Intraday 2 Nomination cycle must be received by the Utility by 12:30 p.m. on the flow date. Nominations submitted via fax must be received by the Utility by 11:30 a.m. on the flow date. Intraday 2 nominations will be effective at 4:00 p.m. the same day.

Intraday 3 Cycle

Nominations submitted via EBB for Intraday 3 Nomination cycle must be received by the Utility by 5:00 p.m. on the flow date. Nominations submitted via fax must be received by the Utility by 4:00 p.m. on the flow date. Intraday 3 nominations will be effective at 8:00 p.m. the same day.

Intraday 4 Cycle

Nominations submitted via EBB for the Intraday 4 Nomination cycle must be received by the Utility by 9:00 p.m. Pacific Clock Time on the flow date. Nominations submitted via fax must be received by the Utility by 8:00 p.m. Pacific Clock Time on the flow date.

*Temporary provisions regarding the trading of scheduled quantities and daily imbalances are provided in Section N.**

Intraday 4 nominations are available only for firm nominations relating to the injection of existing flowing supplies into a storage account or for firm nominations relating to the withdrawal of gas in storage to meet an identified customer's usage. A customer may make Intraday 4 nominations from a third-party storage provider that is directly connected to the Utility's system or from the Utility's storage, subject to the storage provider or the Utility being able to deliver or accept the daily quantity nominated for Intraday 4 within the remaining hours of the flow day and the Utility's having the ability to deliver or accept the required hourly equivalent flow rate during the remaining hours of the flow day. Third-party storage providers will be treated on a comparable basis with the Utility's storage facilities to the extent that it can provide the equivalent service and operations.

(Continued)

(TO BE INSERTED BY UTILITY)

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DECISION NO.

9C8

ISSUED BY

Dan Skopec

Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

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Rule No. 30
TRANSPORTATION OF CUSTOMER-OWNED GAS

Sheet 10

(Continued)

D. Operational Requirements (Continued)

8. Confirmation and Ranking Process

A ranking must be received by the Utility at the time the nomination or the confirmation is submitted. The nominating party will rank its supplies and the confirming party will rank its markets. The Utility will then balance the pipeline system using the "lesser of" rule and the rankings submitted.

The ranking will automatically roll from cycle-to-cycle and day-to-day until the nomination end date, unless modified by the nominating entity.

If no ranking is submitted at the time the nomination is submitted, the Utility will assign the lowest ranking to the nomination.

The Utility will compare the nominations received for each transaction and the corresponding confirmation. If the two quantities do not agree, the "lesser of" the two quantities will be the quantity scheduled by the Utility. Subject to the Utility receiving notification of confirmed transportation from the applicable upstream pipeline(s) and/or operator(s), the Utility will provide scheduled quantities on EBB.

9. As between the customer and the Utility, the customer shall be deemed to be in control and possession of the gas to be delivered hereunder and responsible for any damage or injury caused thereby until the gas has been delivered at the point(s) of receipt. The Utility shall thereafter be deemed to be in control and possession of the gas after delivery to the Utility at the point(s) of receipt and shall be responsible for any damage or injury caused thereby until the same shall have been redelivered at the point(s) of delivery, unless the damage or injury has been caused by the quality of gas originally delivered to the Utility, for which the customer shall remain responsible.
10. Any penalties or charges incurred by the Utility under an interstate or intrastate supplier contract as a result of accommodating transportation service shall be paid by the responsible customer.
11. Customers receiving service from the Utility for the transportation of customer-owned gas shall pay any costs incurred by the Utility because of any failure by third parties to perform their obligations related to providing such service.

(Continued)

(TO BE INSERTED BY UTILITY)
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ISSUED BY
Lee Schavrien
Senior Vice President

(TO BE INSERTED BY CAL. PUC)
DATE FILED Jul 15, 2011
EFFECTIVE Oct 1, 2012
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Rule No. 30

Sheet 11

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

E. Interruption of Service

1. The customer's transportation service priority shall be established in accordance with the definitions of Core and Noncore service, as set forth in Rule No. 1, and the provisions of Rule No. 23, Continuity of Service and Interruption of Delivery. If the customer's gas use is classified in more than one service priority, it is the customer's responsibility to inform the Utility of such priorities applicable to the customer's service. Once established, such priorities cannot be changed during a curtailment period.
2. The Utility shall have the right, without liability, to interrupt the acceptance or redelivery of gas whenever it becomes necessary to test, alter, modify, enlarge or repair any facility or property comprising the Utility's system or otherwise related to its operation. When doing so, the Utility will try to cause a minimum of inconvenience to the customer. Except in cases of unforeseen emergency, the Utility shall give a minimum of ten (10) days advance written notice of such activity.

F. Nominations in Excess of System Capacity

1. In the event customers fail to adequately reduce their transportation nominations, the Utility shall reduce the confirmed receipt point access nominations as defined in Section D.

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(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5297
DECISION NO. 16-06-039, 16-12-015

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED May 22, 2018
EFFECTIVE Jun 1, 2018
RESOLUTION NO. _____

Rule No. 30

Sheet 12

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

G. Operational Flow Orders and Emergency Flow Orders

1. Operational Flow Order (OFO)

- a. The Utility System Operator's protocol for declaring an Operational Flow Order (OFO) is described in Rule No. 41. All OFO declarations will be identified by stage that will specify a Daily Imbalance Tolerance and Noncompliance Charge per the table below. The daily balancing standby rate is not applicable to High OFOs.

Stage	Daily Imbalance Tolerance	Noncompliance Charge (\$/therm)
1	Up to +/-25%	0.025
2	Up to +/-20%	0.10
3	Up to +/-15%	0.50
4	Up to +/-5%	2.50
5	Up to +/-5%	2.50 plus Rate Schedule G-IMB daily balancing standby rate
EFO	Zero	5.00 plus Rate Schedule G-IMB daily balancing standby rate

- b. The OFO shall apply to all customers financially responsible for managing and clearing transportation imbalances (Balancing Agents), including wholesale customers, Contracted Marketers, core aggregators, California Gas Producers and the Utility Gas Procurement Department.
- c. The OFO period shall begin on the flow date(s) indicated by the Utility Gas Control Department. Generally an initial OFO event will start at Stage 1; however an OFO event may begin at any stage as deemed appropriate by the Utility Gas Control Department with the corresponding noncompliance charge.

(Continued)

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5297
DECISION NO. 16-06-039, 16-12-015

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ISSUED BY

Dan Skopec

Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED May 22, 2018

EFFECTIVE Jun 1, 2018

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06/04/2019

Rule No. 30

Sheet 13

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

G. Operational Flow Orders and Emergency Flow Orders (Continued)

1. Operational Flow Order (OFO) (Continued)

- d. An OFO will normally be ordered with at least twelve (12) hours notice prior to the beginning of the gas day, or as necessary as dictated by operating conditions. Charges for the first day of the OFO event will not be imposed if notice is given after 8:00 p.m.* Pacific Time the day prior to the start of the OFO event.
- e. OFO and EFO compliance and charges will be based on the following for determination of daily usage quantities:
 - i. For a Noncore End-Use Customer equipped with automated meter reading device (AMR) and SDG&E's Electric & Gas Fuel Procurement Department, compliance during an OFO will be based on actual daily metered usage, and the calculation after the OFO event of any applicable noncompliance charge will be based on actual daily metered usage.
 - ii. For a Noncore End-Use Customer with non-functioning AMR meters, compliance during an OFO or EFO will be based on the Customer's actual daily metered usage; or the estimated daily usage in accordance with Section C of SoCalGas Rule 14 will be substituted for the actual daily metered usage when actual metered usage is not available.
 - iii. For a Noncore End-Use Customer without AMR capability compliance during an OFO or EFO will be based on the Customer's MinDQ.
 - iv. For the Utility Gas Procurement Department, the Daily Forecast Quantity will be used as a proxy for daily usage.
 - v. For core aggregators, their Daily Contract Quantity will be used as a proxy for daily usage.
 - vi. For a California Producer with an effective California Producer Operational Balancing Agreement, Form 6452, compliance with an OFO and EFO and calculation of any noncompliance charges will be based on the difference between scheduled receipts and measured receipts for each day of an event. OFO and EFO compliance for a California Producer with an existing non-California Producer Operational Balancing Agreement, Form 6452 access agreement will be treated consistent with the terms of that access agreement.

(Continued)

(TO BE INSERTED BY UTILITY)
 ADVICE LETTER NO. 5297
 DECISION NO. 16-06-039, 16-12-015

ISSUED BY
Dan Skopec
 Vice President
 Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
 SUBMITTED May 22, 2018
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06/04/2019

Rule No. 30
TRANSPORTATION OF CUSTOMER-OWNED GAS

Sheet 14

(Continued)

G. Operational Flow Orders and Emergency Flow Orders (Continued)

1. Operational Flow Order (OFO) (Continued)

- f. If a Balancing Agent's OFO daily gas imbalance exceeds the applicable daily imbalance tolerance by 10,000 therms or less, the OFO, noncompliance charge will be zero. If the daily gas imbalance amount exceeds the daily imbalance tolerance by more than 10,000 therms, the Balancing Agent will be responsible for the full noncompliance charge; i.e. 10,000 therms will not be deducted from the daily gas imbalance that exceeds the daily imbalance tolerance.
- g. The daily measurement quantity used to calculate the Noncompliance Charge for each OFO event will be the daily quantity recorded as of the month-end close of the applicable month.
- h. *Low OFO noncompliance charges for the gas flow day will be waived when the confirmation process limiting nominations to system capacity cuts previously scheduled BTS nominations during any of the Intraday 1-3 Cycles.**
- i. *SoCalGas will have the discretion to waive OFO noncompliance charges for an electric generation customer who was dispatched after the Intraday 1 (Cycle 3) nomination deadline in response to (1) a SoCalGas System Operator request to an Electric Grid Operator to reallocate dispatched electric generation load to help maintain gas system reliability and integrity, or (2) an Electric Grid Operator request to the SoCalGas System Operator to help maintain electric system reliability and integrity that can be accommodated by the SoCalGas System Operator at its sole discretion. For electric generators served by a contracted marketer, OFO noncompliance charges can be waived under this section only to the extent the contracted marketer nominates their electric generation customer's gas to the electric generation customer's Order Control Code.**

2. Emergency Flow Order (EFO)

- a. The Utility System Operator's protocol for declaring an Emergency Flow Order (EFO) is described in Rule No. 41.
- b. During an EFO Customer usage must be less than or equal to scheduled supply for a gas day. EFOs will have a zero percent tolerance and a noncompliance charge of \$5.00 plus the Schedule G-IMB Daily Balancing Standby Rate for each therm of usage in excess of scheduled supply.
- c. The EFO shall apply to all customers financially responsible for managing and clearing transportation imbalances (Balancing Agents), including wholesale customers, Contracted Marketers, core aggregators, California Gas Producers and the Utility Gas Procurement Department.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5297
DECISION NO. 16-06-039, 16-12-015

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Vice President
Regulatory Affairs

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SUBMITTED May 22, 2018
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06/04/2019

Rule No. 30

Sheet 15

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

G. Operational Flow Orders and Emergency Flow Orders (Continued)

2. Emergency Flow Order (EFO)

- d. When an EFO is in effect interruptible storage withdrawals are limited to one half of the capacity normally available for interruptible withdrawals. Interruptible storage withdrawal capacity is equal to Withdrawal Capacity minus confirmed firm storage withdrawal nominations minus withdrawal allocated to the balancing function.
 - e. Daily measurement quantities used to determine EFO compliance and charges are the same as those used to determine OFO compliance and charges.
 - f. The daily measurement quantity used to calculate the noncompliance charges for each EFO event will be the daily quantity recorded as of the month-end close of the applicable month.
3. Information regarding the System Sendout, Withdrawal Capacity and Net Withdrawals will be made available to customers on a daily basis via the EBB.
4. If a wholesale customer so requests, the Utility will nominate firm storage withdrawal volumes on behalf of the customer to match 100% of actual usage assuming the customer has sufficient firm storage withdrawal and inventory rights to match the customer's supply and demand.
5. The Utility will accept intra-day nominations to increase deliveries.
6. In all cases, current rules for monthly balancing and monthly imbalance trading continue to apply. Quantities not in compliance with the Daily Imbalance Tolerance that are purchased at the daily balancing standby rate are credited toward the monthly 92% delivery requirements. Daily balancing charges remain independent of monthly balancing charges. Noncore daily balancing and monthly balancing charges go to the Purchased Gas Account (PGA). Net revenues from core daily balancing and monthly balancing charges go to the Noncore Fixed Cost Account (NFCA). Schedule No. G-IMB provides details on monthly and daily balancing charges.

H. Accounting and Billing

1. The customer and the Utility acknowledge that on any operating day during the customer's applicable term of transportation service, the Utility may be redelivering quantities of gas to the customer pursuant to other present or future service arrangements. In such an event, the Utility and customer agree that the total quantities of gas shall be accounted for in accordance with the provisions of Rule No. 23. If there is no conflict with Rule No. 23, the quantities of gas shall be accounted for in the following order:
 - a. First, to satisfy any minimum quantities under existing agreements.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5297
DECISION NO. 16-06-039, 16-12-015

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Dan Skopec
Vice President
Regulatory Affairs

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Rule No. 30

Sheet 16

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

H. Accounting and Billing (Continued)

1. (Continued)

b. Second, after complete satisfaction of (a), then to any supply or exchange service arrangements with the customer.

c. Third, after the satisfaction of (a) and (b), then to any subsequently executed service agreement.

2. The customer agrees that it shall accept and the Utility can rely upon, for purposes of accounting and billing, the allocation made by customer's shipper as to the quality and quantity of gas, expressed both in Decatherm and therms, delivered at each point of receipt during the preceding billing period for the customer's account. If the shipper does not make such an allocation, the customer agrees to accept the quality and quantity as determined by the Utility. All quality and measurement calculations are subject to subsequent adjustment as provided in the Utility's tariff schedules or applicable CPUC rules and regulations. Any other billing correction or adjustment made by the customer or third party for any prior period shall be based on the rates or costs in effect when the event occurred and accounted for in the period they are reconciled.

3. The Utility shall render to the customer an invoice for the services hereunder showing the quantities of gas, expressed in therms, delivered to the Utility for the customer's account, at each point of receipt and the quantities of gas, expressed in therms, redelivered by the Utility for the customer's account at each point of delivery during the preceding billing period. The Customer shall pay such amounts due hereunder within nineteen (19) calendar days following the date such bill is mailed.

4. Both the Utility and the customer shall have the right at all reasonable times to examine, at its expense, the books and records of the other to the extent necessary to verify the accuracy of any statement, charge, computation, or demand made under or pursuant to service hereunder. The Utility and the customer agree to keep records and books of account in accordance with generally accepted accounting principles and practices in the industry.

I. Gas Delivery Specifications

1. The natural gas stream delivered into the Utility's system shall conform to the gas quality specifications as provided in any applicable agreements and contracts currently in place between the entity delivering such natural gas and the Utility at the time of the delivery. If no such agreement is in place, the natural gas shall conform to the gas specifications as defined below.

2. Gas delivered into the Utility's system for the account of a customer for which there is no existing contract between the delivering pipeline and the Utility shall be at a pressure such that the gas can be integrated into the Utility's system at the point(s) of receipt.

3. Gas delivered, except as defined in I.1 above, shall conform to the following quality specifications at the time of delivery:

(Continued)

(TO BE INSERTED BY UTILITY)

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ISSUED BY

Dan Skopec

Vice President

Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

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Rule No. 30

Sheet 17

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

I. Gas Delivery Specifications (Continued)

3. (Continued)

- a. Heating Value: The minimum heating value is nine hundred and ninety (990) Btu (gross) per standard cubic foot on a dry basis. The maximum heating value is one thousand one hundred fifty (1150) Btu (gross) per standard cubic foot on a dry basis.
- b. Moisture Content or Water Content: For gas delivered at or below a pressure of eight hundred (800) psig, the gas shall have a water content not in excess of seven (7) pounds per million standard cubic feet. For gas delivered at a pressure exceeding of eight hundred (800) psig, the gas shall have a water dew point not exceeding 20 degrees F at delivery pressure.
- c. Hydrogen Sulfide: The gas shall not contain more than twenty-five hundredths (0.25) of one (1) grain of hydrogen sulfide, measured as hydrogen sulfide, per one hundred (100) standard cubic feet (4 ppm). The gas shall not contain any entrained hydrogen sulfide treatment chemical (solvent) or its by-products in the gas stream.
- d. Mercaptan Sulfur: The gas shall not contain more than three tenths (0.3) grains of mercaptan sulfur, measured as sulfur, per hundred standard cubic feet (5 ppm).
- e. Total Sulfur: The gas shall not contain more than seventy-five hundredths (0.75) of a grain of total sulfur compounds, measured as sulfur, per one hundred (100) standard cubic feet (12.6 ppm). This includes COS and CS₂, hydrogen sulfide, mercaptans and mono, di and poly sulfides.
- f. Carbon Dioxide: The gas shall not have a total carbon dioxide content in excess of three percent (3%) by volume.
- g. Oxygen: The gas shall not have an oxygen content in excess of two-tenths of one percent (0.2%) by volume, and customer will make every reasonable effort to keep the gas free of oxygen.
- h. Inerts: The gas shall not contain in excess of four percent (4%) total inerts (the total combined carbon dioxide, nitrogen, oxygen and any other inert compound) by volume.
- i. Hydrocarbons: For gas delivered at a pressure of 800 psig or less, the gas hydrocarbon dew point is not to exceed 45 degrees F at 400 psig or at the delivery pressure if the delivery pressure is below 400 psig. For gas delivered at a pressure higher than 800 psig, the gas hydrocarbon dew point is not to exceed 20 degrees F measured at a pressure of 400 psig.

(Continued)

(TO BE INSERTED BY UTILITY)

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Dan Skopec

Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

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Sheet 18

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

I. Gas Delivery Specifications (Continued)

3. (Continued)

j. Merchantability: The gas shall not contain dust, sand, dirt, gums, oils and other substances at levels that would be injurious to Utility facilities or that would cause gas to be unmarketable.

k. Hazardous Substances: The gas must not contain hazardous substances (including but not limited to toxic and/or carcinogenic substances and/or reproductive toxins) at concentrations which would prevent or restrict the normal marketing of gas, be injurious to pipeline facilities, or which would present a health and/or safety hazard to Utility employees and/or the general public.

l. Delivery Temperature: The gas delivery temperature is not to be below 50 degrees F or above 105 degrees F.

m. Interchangeability: The gas shall have a minimum Wobbe Number of 1279 and shall not have a maximum Wobbe Number greater than 1385. The gas shall meet American Gas Association's Lifting Index, Flashback Index and Yellow Tip Index interchangeability indices for high methane gas relative to a typical composition of gas in the Utility system serving the area.

Acceptable specification ranges are:

- * Lifting Index (IL)
IL \leq 1.06
- * Flashback Index (IF)
IF \leq 1.2
- * Yellow Tip Index (IY)
IY \geq 0.8

n. Liquids: The gas shall contain no liquids at or immediately downstream of the receipt point.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 4822
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Rule No. 30

Sheet 19

T

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

I. Gas Delivery Specifications (Continued)

4. The Utility, at its option, may refuse to accept any gas tendered for transportation by the customer or on his behalf if such gas does not meet the specifications at the time of delivery as set out in I. 2, I. 3, and J.5, as applicable.
5. The Utility will grant specific deviations to California production from the gas quality specifications defined in Paragraph I.3 above, if such gas will not have a negative impact on system operations. Any such deviation will be required to be filed through Advice Letter for approval prior to gas actually flowing in the Utility system.
6. The Utility will post on its EBB and/or general website information regarding the available real-time Wobbe Number of gas at identified operational locations on its system.
7. Gas monitoring and enforcement hardware and software including, but not limited to, a gas chromatograph and all related equipment, communications facilities and software, identified in Exhibit A to Schedule No. G-CPS, are required, and shall be installed at each interconnection meter site where a California Producer delivers natural gas into the Utility's gas transportation system. The gas chromatograph shall monitor non-hydrogen sulfide constituents in the gas delivered, and deny access to gas that does not comply with the gas specifications set forth in the Gas Delivery Specifications, Section I.1 or I.3 above. Compliance shall be assessed using the 4- to 8-minute monitoring interval adopted in D.07-08-029 and D.10-09-001.
8. The gas chromatograph and all related equipment and software, identified in Exhibit A to Schedule No. G-CPS, shall monitor and enforce the gas quality specifications, using the 4- to 8-minute monitoring interval adopted in D.07-08-029 and D.10-09-001. Access shall be denied by the Utility on a non-latching basis after a second consecutive monitoring interval results in an alarm for gas which exceeds the non-hydrogen sulfide specifications. The gas chromatograph and all related equipment and software shall also enable the Utility to remotely gather and retain gas quality and alarm data. Where additional measures are necessary to promote or enhance safety, SoCalGas may request a deviation from the aforementioned monitoring interval requirements established by the CPUC.
9. For California Producers currently delivering gas into the Utility's transportation system without a gas chromatograph and all related equipment and software in place, as required in Rule No. 39, non-hydrogen sulfide constituents of gas will, on an interim basis, continue to be monitored and access denied under the methods currently in place, until such time as a gas chromatograph and all related equipment and software are installed and operational, subject to Rule No. 39 conditions.

(Continued)

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Sheet 20

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

J. Biomethane Delivery Specifications

1. Biogas refers to untreated gas produced through the anaerobic digestion of organic waste material. Biomethane refers to biogas that has been treated to comply with this Rule No. 30.
2. Biomethane delivered, except as defined in Section I.1, must meet the gas quality specifications set out in Section I and the biomethane-specific specifications set out in this Section J. The terms and conditions contained in Section J apply solely to suppliers of biomethane and are incremental to Section I gas quality requirements.
3. Biomethane must not contain constituents at concentrations which would prevent or restrict the normal marketing of biomethane, be at levels that would be injurious to pipeline facilities, or be at levels that would present a health and/or safety hazard to Utility employees and/or the general public.
 - a. Health Protective Constituents are constituents that may impact human health and include carcinogenic constituents ("Carcinogenic Constituents") and non-carcinogenic constituents ("Non-Carcinogenic Constituents").
 - b. Pipeline Integrity Protective Constituents are constituents that may impact pipeline system integrity.
4. The party interconnected to the Utility pipeline system for purposes of delivering biomethane ("Biomethane Interconnector") shall be responsible for costs associated with periodic biomethane testing requirements contained in this Section J, but shall not be responsible for the Utility's discretionary biomethane testing or monitoring.
5. Biomethane Quality Specifications: Biomethane to be accepted and transported in the Utility pipeline system shall be subject to periodic testing and monitoring based on the biogas source. The Trigger Level is the level where additional periodic testing and analysis of the constituent is required. The Lower Action Level, where applicable, is used to screen biomethane during the initial biomethane quality review and as an ongoing screening level during the periodic testing. The Upper Action Level, where applicable, establishes the point at which the immediate shut-off of the biomethane supply occurs.

(Continued)

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TRANSPORTATION OF CUSTOMER-OWNED GAS

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(Continued)

J. Biomethane Delivery Specifications (Continued)

5. Biomethane Quality Specifications: (Continued)

Constituent	Trigger Level mg/m ³ (ppm _v) ⁱ	Lower Action Level mg/m ³ (ppm _v)	Upper Action Level mg/m ³ (ppm _v)
<i>Health Protective Constituent Levels</i>			
<u>Carcinogenic Constituents</u>			
Arsenic	0.019 (0.006)	0.19 (0.06)	0.48 (0.15)
p-Dichlorobenzenes	5.7 (0.95)	57 (9.5)	140 (24)
Ethylbenzene	26 (6.0)	260 (60)	650 (150)
n-Nitroso-di-n-propylamine	0.033 (0.006)	0.33 (0.06)	0.81 (0.15)
Vinyl Chloride	0.84 (0.33)	8.4 (3.3)	21 (8.3)
<u>Non-Carcinogenic Constituents</u>			
Antimony	0.60 (0.12)	6.0 (1.2)	30 (6.1)
Copper	0.060 (0.02)	0.6 (0.23)	3 (1.2)
Hydrogen Sulfide	30 (22)	300 (216)	1500 (1080)
Lead	0.075 (0.009)	0.75 (0.09)	3.8 (0.44)
Methacrolein	1.1 (0.37)	11 (3.7)	53 (18)
Toluene	904 (240)	9000 (2400)	45000 (12000)
Alkyl Thiols (mercaptans)	(12)	(120)	(610)
<i>Pipeline Integrity Protective Constituent Levelsⁱⁱ</i>			
Siloxanes	0.01 mg Si/m ³	0.1 mg Si/m ³	-
Ammonia	0.001 vol%	-	-
Hydrogen	0.1 vol%	-	-
Mercury	0.08 mg/m ³	-	-
Biologicals	4 x 10 ⁴ /scf (qPCR per APB, SRB, IOB ⁱⁱⁱ group) and commercially free of bacteria of >0.2 microns	-	-

Notes: i) The first number in this table are in milligrams per cubic meter of air (mg/m³), while the second number () is in parts per million by volume (ppm_v). ii) The Pipeline Integrity Protective Constituent Lower and Upper Action Limits not provided above will be established in the Commission's next AB1900 update proceeding. Until that time, Biomethane supplies that contain Pipeline Integrity Protective Constituents exceeding the Trigger Level, but lacking a Lower or Upper Action Level, will be analyzed and addressed on a case-by-case basis based on the biomethane's potential impact on pipeline system integrity. iii) APB – Acid producing Bacteria; SRB – Sulfate-reducing Bacteria; IOB – Iron-oxidizing Bacteria

(Continued)

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Sheet 22

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

J. Biomethane Delivery Specifications (Continued)

6. Biomethane Constituent Testing shall be based on the biomethane source:

- a. Biomethane from landfills shall be tested for all Health Protective Constituents and the Pipeline Integrity Protective Constituents.
- b. Biomethane from dairies shall be tested for Ethylbenzene, Hydrogen Sulfide, n-Nitroso-di-n-propylamine, Mercaptans, Toluene, and the Pipeline Integrity Protective Constituents.
- c. Other organic waste sources, including biomethane from publicly owned treatment works (i.e., water treatment and sewage treatment plants) shall be tested for p-Dichlorobenzene, Ethylbenzene, Hydrogen Sulfide, Mercaptans, Toluene, Vinyl Chloride, and the Pipeline Integrity Protective Constituents.

7. Collective Health Risk

- a. Group 1 Compounds are Constituents with a concentration below the test detection level or below the Trigger Level.
- b. Group 2 Compounds are Constituents with a concentration at or above the Trigger Level.
- c. For Health Protective Group 2 Compounds, the collective cancer and non-cancer risk from Carcinogenic and Non-carcinogenic Constituents must be calculated by summing the Group 2 Compounds' risk.
 - i. Cancer Risk: The potential cancer for Group 2 compounds can be estimated by summing the individual potential cancer risk for each carcinogenic constituent of concern. Specifically, the cancer risk can be calculated using the ratio of the concentration of the constituent in the biomethane to the health protective ("trigger") concentration value corresponding to one in a million cancer risk for that specific constituent and then summing the risk for all the Group 2 constituents. (For reference, see CARB/OEHHA Report submitted in R.13-02-008, p. 67.)

(Continued)

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Rule No. 30
TRANSPORTATION OF CUSTOMER-OWNED GAS

Sheet 23

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(Continued)

J. Biomethane Delivery Specifications (Continued)

7. Collective Health Risk (Continued)

c. (Continued)

ii. Non-Cancer Risk: The non-cancer risk can be calculated using the ratio of the concentration of the constituent in biomethane to the health protective concentration value corresponding to a hazard quotient of 0.1 for that specific non-carcinogenic constituent, then multiplying the ratio by 0.1, and then summing the non-cancer chronic risk for these Group 2 Compounds. (For reference, see CARB/OEHHA Report submitted in R.13-02-008 p. 67.)

Collective from Carcinogenic and non-Carcinogenic Constituents			
Risk Management Levels	Potential Risk from Carcinogenic Constituents (chances in a million)	Hazard Index from Non-Carcinogenic Constituents	Action
Trigger Level ¹¹	≥ 1.0	≥ 0.1	Periodic Testing Required
Lower Action Level ²	≥ 10.0	≥ 1.0	Supply shut-in after three exceedances in 12-month period in which deliveries occur
Upper Action Level	≥ 25.0	≥ 5.0	Immediate supply shut-in
1. For any Health Protective Constituent. 2. Sum of the Health Protective Constituents exceeding the trigger level.			

8. Biomethane Pre-Interconnection Testing:

- a. Prior to the injection of biomethane, the Biomethane Interconnector shall conduct two tests over a two- to four-week period for the constituents identified for that biomethane source (see Section J.6).

(Continued)

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

J. Biomethane Delivery Specifications (Continued)

8. Biomethane Pre-Interconnection Testing: (Continued)

- b. Pre-interconnection testing will be performed by the Biomethane Interconnect using independent certified third party laboratories (Environmental Laboratory Accreditation Program (ELAP) certified, where applicable). The Utility shall be notified of the biomethane sampling and tests and have the option to observe the samples being taken. Test results will be shared with the Utility within five calendar days of the test results being received by the Biomethane Interconnector.
- c. During pre-injection testing, the Biomethane's collective potential cancer risk and non-cancer risk is calculated by summing the individual risk for each Health Protective Group 2 Compound. If the collective potential cancer risk or non-cancer risk is at or above the Lower Action Level (the cancer risk Lower Action Level is > 10 in a million and the non-cancer risk Lower Action Level is a Hazard Index of > 1), the biomethane cannot be accepted or transported by the Utility's pipeline system. The Biomethane Interconnector shall make necessary modifications to lower the collective potential cancer risk or non-cancer risk below the Lower Action Level and restart pre-injection testing. If the Health Protective Constituents are found to be below the Trigger Level or the collective cancer or non-cancer risk from the Health Protective Group 2 Compounds is below the Lower Action Level in both pre-injection tests, then the biomethane may be injected subject to compliance with the periodic testing requirements specified below.
- d. If during the pre-injection testing, any Pipeline Integrity Protective Constituents are found to be above the Lower Action Level, if applicable, the biomethane cannot be accepted or transported by the Utility's pipeline system. The Biomethane Interconnector shall make necessary modifications to lower the Pipeline Integrity Protective Constituents below the Lower Action Level and restart pre-injection testing. If the Pipeline Integrity Protective Constituents are found to be below the Trigger Level in both pre-injection tests, then the biomethane may be injected subject to compliance with the periodic testing requirements specified below.

9. Biomethane Periodic Testing:

a. Group 1 Constituent Testing

- i. A Group 1 Compound shall be tested once every 12-month period in which deliveries occur. Thereafter, if the Group 1 Compound is found below the Trigger Level during two consecutive annual periodic tests, the Group 1 Compound may be tested once every two year-period in which deliveries occur.
- ii. A Group 1 Compound will become a Group 2 Compound if testing indicates a concentration at or above the Trigger Level.

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TRANSPORTATION OF CUSTOMER-OWNED GAS

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(Continued)

J. Biomethane Delivery Specifications (Continued)

9. Biomethane Periodic Testing: (Continued)

b. Group 2 Compound Testing

- i. A Group 2 Compound shall be tested quarterly (at least once every three- month period in which deliveries occur).
- ii. A Group 2 Compound will become a Group 1 Compound if testing indicates a concentration below the Trigger Level during four consecutive tests.

c. Collective Risk from Carcinogenic and Non-carcinogenic Constituents:

- i. If four consecutive quarterly tests demonstrate that the Health Protective Group 2 Compound's collective cancer and non-cancer risk is below the Lower Action Level, monitoring can be reduced to once every 12-month period in which deliveries occur.
- ii. If annual testing demonstrates that the Health Protective Group 2 Compound's collective cancer or non-cancer risk is at or above the Lower Action Level, then testing will revert to quarterly.

10. Biomethane Shut-Off and Restart Procedures: The Biomethane Interconnector may be shut-off when the following occurs:

- a. The CPUC determines that a change in the biogas source at the facility or the upgrading equipment will potentially increase the level of any constituent over the previously measured baseline levels.
- b. Testing indicates constituents are exceeding allowable concentration levels:
 - i. The collective cancer or non-cancer risk from Health Protective Group 2 Compounds is found at or above the Lower Action Level three times in a 12-month period in which deliveries occur.
 - ii. The collective cancer or non-cancer risk from Health Protective Group 2 Compounds is found at or above the Upper Action Level.
 - iii. If applicable, a Pipeline Integrity Protective Constituent is found at or above the Lower Action Level three times in a 12-month period in which deliveries occur.

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Sheet 26

T

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

J. Biomethane Delivery Specifications (Continued)

10. Biomethane Shut-Off and Restart Procedures (Continued)

b. (Continued)

iv. The biomethane contains constituents at concentrations which prevent or restrict the normal marketing of biomethane, are at levels that are injurious to pipeline facilities, or are at levels that present a health and/or safety hazard to Utility employees and/or the general public.

c. In order to restart injection after a Biomethane Interconnector has been shut-off, the Biomethane Interconnector shall test the biomethane using independent certified third party laboratories (ELAP certified where applicable). Deliveries can then resume, subject to the periodic testing requirements in Section J.9, if the test indicates: (1) the biomethane complies with the gas quality specifications contained in Section I of this Rule; (2) the collective cancer and non-cancer risk of Health Protective Group 2 Compounds is below the Lower Action Level; and, if applicable, (3) the Pipeline Integrity Protective Constituents are below the Lower Action Level. Thereafter, constituents shall be reevaluated by the Utility for eligibility for less frequent testing.

11. Testing Procedures: The Utility shall collect samples at the receipt point utility meter. The Biomethane Interconnector shall collect samples upstream of the utility meter. Samples will be analyzed by independent certified third party laboratories (ELAP certified where applicable). Testing for Health Protective Constituents shall be by the methods specified in Table V-4 of CARB/OEHHA Report submitted in R.13-02-008 and adopted in D.14-01-034. Testing for Pipeline Integrity Protective Constituents shall be by the methods approved in D.14-01-034. Retesting shall be allowed to verify and validate the results. The cost of retesting shall be borne by the entity requesting the retest.

12. Continuous Monitoring of Upgrading Process Integrity: Absent an agreement otherwise, the Biomethane Interconnector's compliance with the Utility's continuously monitored Section I gas quality specifications shall be used as an indicator that the upgrading system is effectively conditioning and upgrading the biomethane. If the indicator(s) used to continuously monitor biomethane constituent levels indicates the biomethane has not been sufficiently conditioned and upgraded, the Utility may accelerate the biomethane periodic testing schedule and initiate testing. Accelerated periodic testing shall count toward the recommended periodic testing requirements described in Section J.9.

13. Recordkeeping and Reporting Requirements will be as prescribed in Commission D.14-01-034 and as specified in the CARB/OEHHA Report submitted in R.13-02-008.

(Continued)

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TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

J. Biomethane Delivery Specifications (Continued)

14. Prohibition of Biomethane from Hazardous Waste Landfills: Hazardous waste landfills ("Hazardous Waste Landfills") include all contiguous land and structures, and other appurtenances and improvements, on the land used for the treatment, transfer, storage, resource recovery, disposal, or recycling of hazardous waste. The facility may consist of one or more treatment, transfer, storage, resource recovery, disposal, or recycling hazardous waste management units, or combinations of these units. Biomethane from Hazardous Waste Landfills, including landfills permitted by the Department of Toxic Substances Control, will not be purchased, accepted or transported. Before a Biomethane Interconnector can interconnect with the Utility's system, the Biomethane Interconnector must demonstrate and certify to the Utility's satisfaction that the biogas was not collected from a Hazardous Waste Landfill.
15. The biomethane rules in this section are intended to implement D.14-01-034, including rules regarding constituent concentration standards, monitoring and testing requirements, and reporting and recordkeeping requirements.

K. Termination or Modification

1. If the customer breaches any terms and conditions of service of the customer's service agreement or the applicable tariff schedules and does not correct the situation within thirty (30) days of notice, the Utility shall have the right to cease service and immediately terminate the customer's applicable service agreement.
2. If the contract is terminated, either party has the right to collect any quantities of gas or money due them for transportation service provided prior to the termination.

L. Regulatory Requirements

1. Any gas transported by the Utility for the customer which was first transported outside the State of California shall have first been authorized under Federal Energy Regulatory Commission (FERC) regulations, as amended. Both parties recognize that such regulations only apply to pipelines subject to FERC jurisdiction, and do not apply to the Utility. The customer shall not take any action which would subject the Utility to the jurisdiction of the FERC, the Economic Regulatory Administration or any succeeding agency. Any such action shall be cause for immediate termination of the service arrangement between the customer and the Utility.
2. Transportation service shall not begin until both parties have received and accepted any and all regulatory authorizations necessary for such service.

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Sheet 28

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

M. Warranty and Indemnification

1. The customer warrants to the Utility that the customer has the right to deliver gas hereunder and that such gas is free from all liens and adverse claims of every kind. Customer will indemnify, defend and save the Utility harmless against all loss, damage, injury, liability and expense of any character where such loss, damage, injury, liability or expense arises directly or indirectly out of any demand, claim, action, cause of action or suit brought by any person, association or entity asserting ownership of or any interest in the gas tendered for transportation hereunder, or on account of royalties, payments or other charges applicable before or upon delivery of gas hereunder.
2. The customer shall indemnify, defend and save harmless the Utility, its officers, agents, and employees from and against any and all loss, costs (including reasonable attorneys' fees), damage, injury, liability, and claims for injury or death of persons (including any employee of the customer or the Utility), or for loss or damage to property (including the property of the customer or the Utility), which occurs or is based upon an act or acts which occur while the gas is deemed to be in the customer's control and possession or which results directly or indirectly from the customer's performance of its obligations arising pursuant to the provisions of its service agreement and the Utility's applicable tariff schedules, or occurs based on the customer-owned gas not meeting the specifications of Sections I or J of this rule.

N. OFO Trading*

*1. Trading Scheduled Quantities**

- a. Customers may arrange to trade scheduled quantities. The trades are to be arranged outside of the EBB and communicated to the Utility via a trade form.*
- b. Customers may trade scheduled quantities between End Use contracts only by adjusting scheduled quantities after Cycle 6 has been processed.*
- c. Trades will only be available for OFO days.*
- d. Trades must be submitted to the Utility's scheduling department via email or fax by 9 PM Pacific Clock Time one business day following the Gas Day for which the OFO was declared.*
- e. The Utility may file an expedited Tier 2 Advice Letter to suspend this tariff provision if curtailments are more severe or more frequent due to the offering of this service. Protests and responses to any such Advice Letter would be due within 5 business days, and the Utility's reply would be due within 2 business days from the end of the protest period.*

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Sheet 29

TRANSPORTATION OF CUSTOMER-OWNED GAS

(Continued)

N. OFO Trading (Continued)*

*2. Trading Daily Imbalances**

- a. California Producer cash-outs on OFO days will be delayed until 9:00 p.m. Pacific Clock Time one business day following the Gas Day pending submittal of the imbalance trade. If the imbalance is not traded, it will be cashed out.*
- b. California Producers may arrange to trade daily OFO imbalances with other California Producers. The trades are to be arranged outside of the EBB and communicated to the Utility via a trade form after Cycle 6 has been processed.*
- c. Trades will only be available for OFO days.*
- d. Trades must be submitted to the Utility's scheduling department via email or fax by 9 PM Pacific Clock Time one business day following the Gas Day for which the OFO was declared.*
- e. The Utility may file an expedited Tier 2 Advice Letter to suspend this tariff provision if curtailments are more severe or more frequent due to the offering of this service. Protests and responses to any such Advice Letter would be due within 5 business days, and the Utility's reply would be due within 2 business days from the end of the protest period.*

O. Temporary Settlement Term

- 1. The Sections of this Rule italicized and followed by an asterisk (*) are temporary and will end upon the expiration of the term in the settlement approved by D.16-12-015 and modified by D.18-11-009. Specifically, that settlement term will conclude upon the earlier of: (1) any superseding decision or order by the Commission, (2) return of Aliso Canyon to at least 450 MMcfd of injection capacity and 1,395 MMcfd of withdrawal capacity, or (3) the implementation date of a final decision in A.18-07-024, SoCalGas' 2020 Triennial Cost Allocation Proceeding.*

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(TO BE INSERTED BY UTILITY)

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